

# NEWS SUMMARY

## GENERAL

### Iran clash over minister

Iran's ruling Revolutionary Council ordered the release of jailed Information Minister Masoud Mirzaei, detained after students occupying the U.S. Embassy accused him of links with the CIA. President Abol Hassan Bani-Sadr said: "We have a constitutional law, and we should follow the legal procedures." Earlier, he accused the students of acting in a self-centred way, and behaving like a government within a government.

### Mugabe attack

Rhodesian nationalist leader Robert Mugabe accused forces loyal to rival party leader Bishop Muzorewa of responsibility for bomb attacks on his Salisbury home, and that of a senior party aide. Back Page; Parliament, Page 8.

### Soviets move in

Armoured force direct from the Soviet Union has entered Kandahar, Afghanistan's main southern city, 95 miles from the Pakistan border. Page 3; Afghan crisis, Page 8.

### Detainees freed

El Salvador's ruling junta freed seven of 13 detainees in San Miguel, in exchange for seven diplomats held by left-wingers at the Spanish embassy. Page 4.

### Envoy hurt

Turkish ambassador to Switzerland was injured when gunmen from an Armenian guerrilla group fired on his car in Bern.

### Drugs ring

Four men who ran an international drugs syndicate which sold stolen cars to buy £200 of cannabis over four years, were jailed for a total of 20 years at Birmingham Crown Court.

### Jail riot deaths

Three prisoners were shot dead and ten captured when 30 broke out of a south Philippines jail. In Chile, police regained control of Santiago jail after fighting in which one inmate died and 28 were injured.

### Fourth channel

New Broadcasting Bill was published, making clear that the fourth channel, due to open in 1982, would be a "commercial BBC2," giving greater scope for minority interests. Page 8; Editorial comment, Page 20.

### EEC entry bid

Turkey expects to apply this year to join the EEC. Foreign Minister Hayrettin Erbakan said. Page 2.

### Salem 'clues'

West German police are searching the Frankfurt area for businessmen who may hold important clues to the mystery of the tanker Salem's missing oil cargo. Shell sees Salem witnesses. Page 6.

### Korea talks

South Korea proposed that the Presidents of North and South Korea should meet in Geneva in a bid to start talks on reunification of the country. Page 4.

### Pasta joke

Daily restaurants are threatened to close for two days this month, and next in protest at a government requirement to value added tax return for each meal served. Page 2.

### Briefly

Australia beat England by eight wickets in the Third Test in Melbourne.

### SEMI GERMAN POLICE ARE SEARCHING

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### Korea talks

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### Pasta joke

Restaurants are threatening to close for two days this month, and meet in protest at the situation, requiring a value-added tax return for each meal served. **Page 5.**

### Electricity

South Africa near England by eight weeks in the Third Test in Johannesburg. **Page 5.**

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

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## EUROPEAN NEWS

## Turkey will seek entry to EEC before year's end

BY JOHN WYLES IN BRUSSELS

THE TURKISH Foreign Minister, Mr. Heyrettin Erkman, pulled a surprise rabbit out of his diplomatic hat here yesterday, by announcing that his country hopes to apply for EEC membership before the end of the year.

It is unlikely that a single member of the Nine believes that Turkey's membership is feasible inside 10 years, such is the severity of its economic problems. But with events in Afghanistan casting a long shadow and with Turkey making a good case for re-launching its association agreement, the EEC has agreed to step up efforts to achieve a common customs union and eventual Turkish accession.

Mr. Erkman acknowledged yesterday that he had not directly informed the EEC ministers at the EEC-Turkey association council on Tuesday that they should expect an application for membership

this year. "I said it clearly between the lines," he said.

If he did, most Foreign Ministers would have been looking the other way. Lord Carrington, the UK's Foreign Secretary, said after that meeting that he thought Turkey would not dream of applying until it had put its economic house in order.

"Is there a country in this world which has solved all of its economic problems?" responded Mr. Erkman yesterday. He thought the new austerity measures recently introduced by his government would need a transmission period to full EEC membership of at least three or four years.

Mr. Erkman's statement of intent was taken very seriously in Brussels yesterday, although it was being variously interpreted. One view held that it was largely tactical and designed to focus EEC attention on producing a generous pack-

age of financial aid, greater access for its agricultural exports, and concessions for Turkish migrant labour within the Community.

But another opinion was that Turkey is serious about joining by the mid-1980s because it is disillusioned with an association agreement which, after 17 years, has failed to provide hoped-for benefits.

At the same time, Greece's accession next January is seen in Ankara as a potential roadblock to further development of its relationship with the EEC, despite repeated assurances from the Community to the contrary.

If Turkey does apply this year, the Community is unlikely to proceed in top gear. It is already negotiating with Spain and Portugal, both of which are aiming for membership by 1983, and this prospective enlargement already worries some members of the Nine.

## W. German jobless leaps to over 1m

By Roger Boyer in Bonn

THE NUMBER of unemployed in West Germany has leapt up over 1m in one of the sharpest increases for four years.

The Federal Employment Office stresses, however, that the 19.6 per cent rise over December was largely the result of the weather. December was particularly mild, thus protecting seasonally affected jobs such as those in the construction industry, whereas January was a more typical winter month. The January figure of 1,036,519 is still significantly below that of January, 1979. Unemployment has been relatively low over the past year—at 876,000 almost 12 per cent under 1978—thanks to the recovery in several sectors of the economy.

This latest figure, however, is a powerful election fodder for the opposition parties and several politicians yesterday attacked the Government for being over-optimistic in its assessment that unemployment will stay generally stable in 1980.

The Government, the Bundesbank and employers have all argued that moderate 5-6 per cent wage settlements, the only way of securing jobs and the necessary growth rate. The major unions, however, have been demanding 10 per cent rises to compensate for oil price increases and higher inflation.

An analysis just issued by the Institute for Employment Research calculates that if growth this year is confined to 1.5 per cent, average unemployment will well top 1.1m. This would clearly make unemployment a key election issue.

Employment will only stay at its present level, the institute says, if Germany achieves 3.5 per cent growth this year—a somewhat unlikely prospect.

## Iceland coalition formed

By Jon Magnusson in Reykjavik

A 70-year-old Icelandic politician, Mr. Gunnar Thoroddsen, has broken with his own party to form a majority coalition government.

It is expected to be sworn in during the next few days, thus bringing to an end a government crisis which has persisted since the fall last autumn of an unpopular left-of-centre coalition.

Mr. Thoroddsen is vice-chairman of the right-of-centre Independence party, Iceland's largest. But he is expected to carry only two or three Independence MPs with him into the government he is forming with the centrist Progressive party and the Communist-influenced People's Alliance.

He has joined forces with the People's Alliance, which is anti-NATO, and the Progressives, who support Iceland's membership of NATO, on the sole condition that he will become Prime Minister. The new Government will hold 31 or 32 seats in the 60-seat Parliament.

Mr. Thoroddsen's move will split very seriously the pro-NATO independence party and leaves its leader, Mr. Geir Hallgrímsson, badly wounded politically. His future role in Icelandic politics must now be in question.

The remaining Independence party MPs have pledged not to support the Government and Mr. Hallgrímsson has said publicly that Mr. Thoroddsen will be a hostage in the camp of the People's Alliance for as long as he remains Prime Minister. There will be nine Ministers in the Cabinet, three of them from the People's Alliance and all of them hostile towards the U.S. NATO base at Keflavik. Mr. Steingrímur Hermannsson, the Progressive leader, while supporting Iceland's membership of the alliance wants U.S. forces out of the country.

## Gibraltar goes to the polls

By Our Own Correspondent

GIBRALTAR went to the polls yesterday with the Labour party of Sir Joshua Hassan, the outgoing Chief Minister, poised to regain power. The party needs all its eight candidates to be elected for a majority in the 15-seat Assembly.

The only other party to present a full list of eight is the Democratic party led by Mr. Peter Isola, but they are not expected to be a real challenge to Sir Joshua. Challenging Mr. Isola to lead the opposition is trade unionist Joseph Bossano with six candidates.

Although the campaign began on domestic issues, the question of relations with Spain later loomed strongly with all three main parties taking a pro-British line.

## Pandolfi bid to sell new asset plan

BY PAUL BETTS IN ROME

THE ITALIAN Treasury Minister, Sig. Filippo Maria Pandolfi, at the end of this month begins a series of globe-trotting missions largely in developing and oil-producing countries to negotiate proposals for the creation of an international Monetary Fund, substitution account to stabilise international money markets.

The first stage of Sig. Pandolfi's diplomatic initiative takes him to Latin America, where he will visit Mexico, Venezuela, Brazil and Argentina after stop-overs in Spain and Washington. Subsequently, he proposes to visit major Middle East oil producing countries like Saudi Arabia, Kuwait, and the Gulf emirates to test their initial reactions to IMF proposals for absorbing excess dollars in the world.

The scheme, according to Sig. Pandolfi, envisages setting up a substitution account initially involving some \$20bn which would enable the 135 IMF member countries to exchange dollars for a new reserve asset or claim denominated in special drawing rights (SDRs).

The Minister, who is also chairman of the IMF's Interim Committee, says there is now general consensus among the main Western industrialised

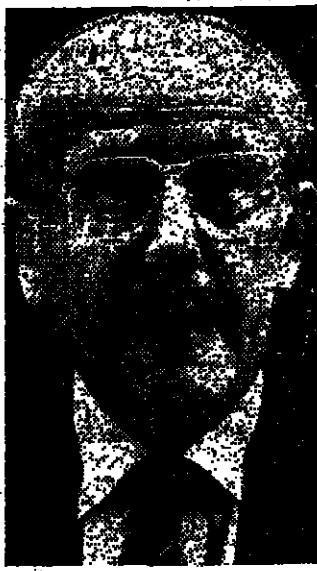
countries to use possibly 103m ounces of IMF gold reserves to support the substitution account. This could serve as a guarantee to countries exchanging dollars for the new asset against eventual foreign exchange risks.

To make the new asset more attractive to central bank investors, Sig. Pandolfi says they would probably carry a higher interest rate than existing SDR rates. This rate, he suggests, could be based on an average of interest rates from a representative number of countries. It is envisaged also that the IMF could invest the dollars it would acquire in U.S. Treasury bonds.

He proposes further that the new assets might be available eventually not only to central banks and official institutions but also on a secondary market.

The Minister, who also plans to chair an informal meeting of EEC Finance Ministers at Taormina, in Sicily, early next month, is expected to report on the outcome of his diplomatic missions at the IMF Interim Committee's meeting in Hamburg on April 25.

He stressed that at this stage these visits are purely "politi-



Sig. Pandolfi: off round the globe.

cally largely intended to support developing countries. The new proposals would thus mark a departure from this agreement.

From a purely internal Italian point of view, Sig. Pandolfi's proposed visit to Saudi Arabia could help heal relations between Rome and Riyadh following the latter's decision to suspend direct oil supplies to ENI, the Italian state hydrocarbons group. The Saudi move came in the wake of a scandal concerning unsubstantiated allegations about the payment of an irregular commission in the 12.5m tonnes direct oil supply deal.

Following the ENI affair, Sig. Giorgio Mazzanti, the ENI chairman, was temporarily suspended from office by the Italian Government. But an official inquiry into the affair has now been completed and is understood to have revealed no serious irregularities in the 7 per cent commission worth about \$100m. Should this be the case, Sig. Mazzanti will theoretically have to be reinstated, which could be the source of some considerable embarrassment to the Government and some political factions.

## Italy's restaurants find VAT indigestible

BY RUPERT CORNWELL IN ROME

RESTAURANTS up and down Italy, from Michelin-starred temples of gastronomy to the everyday trattoria, are threatening to shut down for two days this month and next in protest against new regulations obliging them to provide a value added tax return for every meal served.

Sig. Francesco Reviglio, the Finance Minister, is stubbornly braving the combined wrath of the hotel and restaurant industry — now the top target of yet another campaign to clamp down on Italy's chronic tax evasion.

The measure is aimed at bringing VAT declarations by restaurants into line with reality. Despite howls of anguish, and theatrical warnings that

overheads will have to rise — and with them prices in a vital tourist sector — Sig. Reviglio is sticking to his guns.

To support his case, he released this week figures showing that for 1977 — the latest year on record — the catering and hotel trades are among the worst offenders in total VAT evasion which reached that year almost 50 per cent.

In other words, the 19,000bn (\$4,955bn) actually paid in VAT in 1977 was roughly equalled by the tax that should have been but was not. The discrepancy emerges from a comparison of the full national accounts and business actually declared in tax returns by industry, commerce and the professions.

While evasion by industry only reached 30 per cent, that of the professions (including notorious categories like doctors and lawyers, many of whom according to their returns are struggling well below the poverty line) was almost double. But for restaurants and hotels the figure tops 68 per cent.

The bulk of Italy's hotels declared an average total income (from which supplies and personnel overheads have to be deducted) of L.3.3m (\$4,600) apiece. For restaurants and bars, the figure was an equally implausible L.12.4m (\$6,900).

Some progress has been made in reducing tax evasion in recent years in Italy, and

last year is expected to produce an extra L.500bn (\$270m) of revenues thanks to stricter procedures.

But it is a tiny sum when set against the projected L.400,000bn enlarged public sector deficit for 1980, in any case likely to be exceeded.

Sig. Reviglio is courting yet further unpopularity in his crusade by announcing his intention of making public within a few days a list of 40,000 suspected tax evaders — with another 60,000 names to follow shortly afterwards. But despite strong support from organised trade unions, the offensive seems likely to make little lasting dent on a practice firmly entrenched in the Italian system.

## France still opposing economic sanctions against Soviet Union

BY ROBERT MAUTHNER IN PARIS

THE FRENCH President, M. Giscard d'Estaing, has made it clear that, in spite of the tough stand taken by France and West Germany over Soviet intervention in Afghanistan, France still opposes economic sanctions against the USSR.

France's objective was to reduce international tensions, the President said in a restricted briefing to French journalists following the Franco-German summit meeting which ended on Tuesday. But experience had shown that the adoption of economic sanctions could harden the position of the country, at which such measures were aimed.

M. Giscard d'Estaing, whose comments on the joint declaration were clearly aimed at correcting the impression of some observers that France had now virtually aligned itself with the U.S., also stressed that France would continue its "dialogue" with the Soviet Union. "We believe that it is important to maintain this dialogue in order to define the means and conditions for, if these limits were respected, it was legitimate for France and other European countries to seek ways and means of putting an end to the Soviet intervention in Afghanistan."

If one of the conditions for a withdrawal of Soviet troops



President Giscard: dialogue with Moscow continues.

was that a solution must be found for ensuring the security and stability of the region surrounding Afghanistan, including the adoption of international guarantees, then, the Western countries should agree to discuss this problem with Moscow.

The French President once again underlined the special role which the European countries should assume in preserving peace and achieving East-West détente. Until now, only the voices of the two super-powers had been heard. It was important that the European nations who, because of their growing economic and political strength, had special responsibilities should make their weight felt.

While the President insisted that in the event of a global conflict, France would fully respect its treaty obligations as a member of the Atlantic alliance, he stressed that France would strive to prevent the renaissance of polarised blocs. This could lead only to increased international tension and would deprive France of the capacity to conduct an independent foreign policy and thus to influence events. For that reason, France would not align itself with the positions of either of the two super-powers.

## Kremlin support for Kampuchea

By David Satter in Moscow

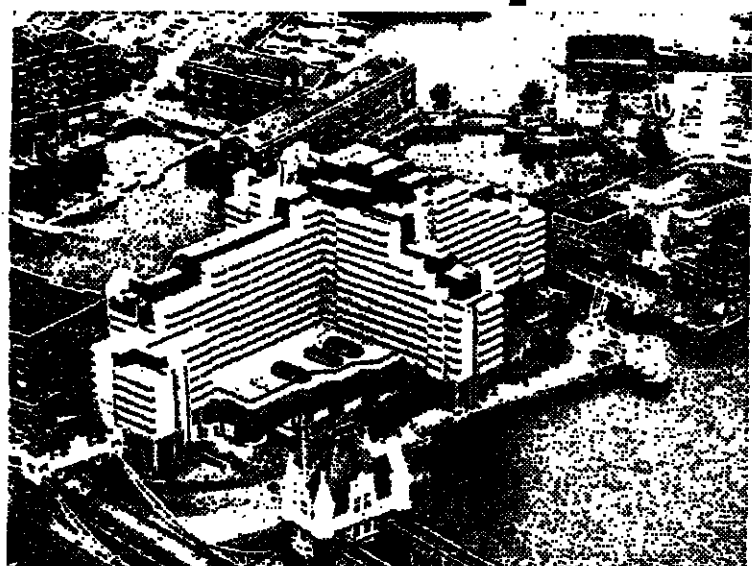
THE SOVIET UNION yesterday promised to grant Kampuchea and the Vietnamese-backed government of Mr. Heng Samrin "broad support" in its struggle for "independence and sovereignty." Two sides signed a set of agreements which will guarantee food supplies, economic and technical aid.

No details were given of the agreements but they came after the conclusion of two days of talks between Mr. Heng Samrin and his delegation and top Kremlin leaders including Mr. Leonid Brezhnev, the Soviet president, Mr. Andrei Gromyko, the foreign minister, and Mr. Dmitri Ustinov, the Defence Minister.

Some diplomats expected that Kampuchea would sign a friendship treaty with the Soviet Union but this may have been prevented either by Vietnamese opposition to such a tangible gesture toward Kampuchean independence or by the view that the Heng Samrin government was still too internationally isolated for the gesture to have much effect.

The Soviet news agency TASS said that the two sides showed a "full identity of views" and the talks passed in an atmosphere of "brotherly friendship."

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## Moscow says Bonn and Paris yielded to U.S.

BY OUR MOSCOW CORRESPONDENT

THE SOVIET Government newspaper Izvestia last night accused France and West Germany of having "corrected" their assessments of the events in Afghanistan to avoid irritating the U.S. and warned that yielding to "unprincipled" U.S. pressure would jeopardise détente in Europe.

In a report from its Paris correspondent, Izvestia said it was not surprising that the declaration was "immediately welcomed by the U.S." or by America's "most reliable lobbyist in Europe—the British Tories."

Izvestia said that while the U.S. speaks "hypocritically" of the Soviet menace, "it aggravates the international situation by its leadership in the system of Atlantic alliances."

Reflecting the Soviet desire to preserve the formalities with the French and West Germans even while criticising them, Izvestia said the Franco-German summit gave "much food for thought" and could be subject to "differing interpretations."

The newspaper said that the French understanding of the declaration contained "several

nuances" such as a commitment to the policy of détente, a desire to avoid an increase in international tension and an insistence on an independent foreign policy which commentators could not fail to note.

Izvestia warned, however, that the White House "would like to upset the existing relations between western Europe and the Soviet Union, relations in which many good things have been accomplished over the last decade."

The United States is doing everything possible "to prod the western European countries into intensifying their militaristic preparations, increasing their arms budgets and stepping up the arms race," Izvestia said.

"Those who give in to this unceremonious and unprincipled pressure from U.S. aggressive circles not only assist this process but place in jeopardy détente, the peaceful gain of all the peoples of Europe."



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Bridget Bloom, in Salisbury, assesses the standing of the parties as the election campaign progresses

# The bitter struggle for power in Rhodesia

LAST WEEK a Salisbury businessman applied for a new telephone line and it was installed within five days. But after three weeks and repeated requests, the election offices of the two political parties which could well form the next government had one line between them.

The telephone problem is just one of the difficulties confronting the parties led by Mr. Robert Mugabe (which still has no line) and Mr. Joshua Nkomo who they try to organise their campaigns for the elections at the end of this month.

In an atmosphere of increasing tension provoked by violent incidents, nine black parties are contesting the February 27-28 poll—white voters elect members for the 20 white seats in a separate exercise on February 14. With three weeks to go there is little doubt that the best organised of the black parties is Bishop Abel Muzorewa's United African National Council.

Their green, yellow, red and black poster, tee shirts, caps and balloons are to be seen almost everywhere. From his pink-walled multi-telephoned suite in the luxury Monomatapa Hotel—one of three sets of offices being used specifically for

the elections—Bishop Muzorewa's election director speaks proudly of the party's fleet of 500 cars, its buses, trucks, Land Rovers, motor-cycles, bikes and "combs". The Bishop has two helicopters and a jet at his disposal, and also appears to have an executive jet and two other light aircraft.

By contrast, though their travels seem well enough organised, Mr. Nkomo and Mr. Mugabe claim they have been having enormous trouble securing typewriters, duplicating machines and cars, many of which have been held up at customs. Mr. Mugabe's party bought some second-hand cars and could not get them insured, and had election material confiscated. Both parties say that local printers cannot take all their teeshirt or poster orders, though they have plenty of both.

The two parties, known as the Patriotic Front (PF) and ZANU (PF), were banned until only a few weeks ago. Their town-centre offices are chaotic. At the latter's, long queues build up and jam the narrow staircase as young men and women body-search all visitors. Crowds, apparently quite idle, mill about, seemingly impeding

the few officials with real responsibility.

Somehow the manifestos have been printed, the press conferences and some campaign meetings have been held. But Bishop Muzorewa has the organisational advantage of having been in government, having fought an election only 10 months ago and, most important of all, of having a bureaucracy behind him.

All the parties are keen about their sources of finance, and since the British Election Commissioner has ruled that there are only to be limits on and disclosures about spending for media advertisements, they will no doubt continue to be. The Bishop's election manager says "no comment" to any questions about finance, including suggestions that a great deal of money has come from South African Government and private Rhodesian. South African and foreign business.

There is certainly multi-national company backing for Mr. Nkomo, though neither he nor Mr. Mugabe's officials will confirm reports circulating here that each was given nearly R\$1m (£560,000) from Swedish Government sources recently. There is no hard evidence one

way or the other that these parties' funds have been swelled from Communist sources, though Mr. Edison Zvogbo, Mr. Mugabe's election director, suggests that the party is using money which would otherwise have been used for "operations". He cites a figure for total election spending of some R\$500,000. That seems on the low side, even given that the party may have fewer sources of ready funds.

While Bishop Muzorewa has been running a very negative campaign, lambasting his opponents and projecting no positive image of himself or his party, Mr. Nkomo and Mr. Mugabe have given huge "star" rallies each weekend, hoping to cover each of the eight constituencies before polling begins.

It is in the rural areas, where the bulk of the estimated 2.8m voters live, that the campaigns are at their toughest and dirtiest. It is here, and particularly in areas where Mr. Mugabe and the Bishop are deadly rivals, that intimidation and violence are assuming alarming proportions.

Though nine parties are contesting the poll under the party list system, the election is

effectively a struggle for power between the three major parties. The United People's Association of Matabeleland, the National Democratic Union (depending perhaps on whether the former Mugabe dissidents join it) the National Front of Zimbabwe are thought unlikely to win any seats, while the Rev. Ndabaningi Sithole's ZANU, Mr. James Chikorema's Zimbabwe Democratic Party and just possibly Chief Ndwini's United National Federal Party will share a few seats between them.

In the absence of opinion polls (and even a voters' roll) predictions of what will happen are clearly difficult. But the tribal and political history of the country make it likely that Mr. Joshua Nkomo's party will get the vast majority of the 18 seats for Matabeleland (which comprises some 20 per cent of the population), picking up a few in the other 80 per cent of the country which is Shona.

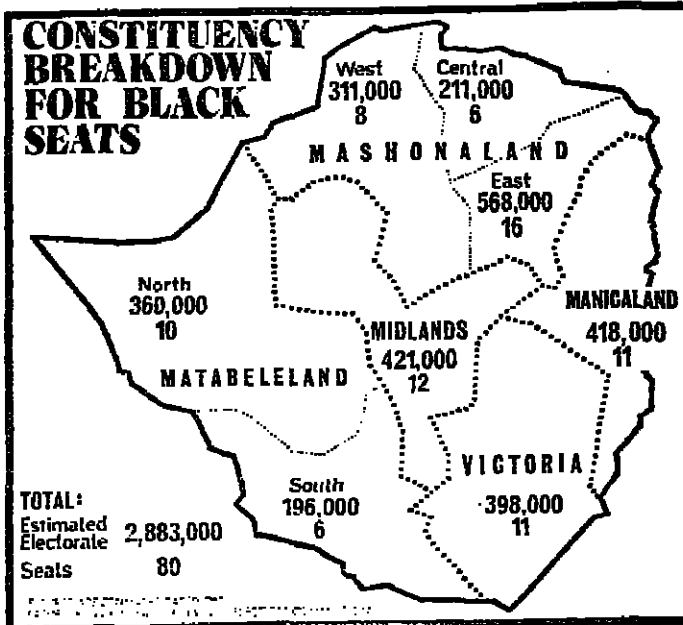
The real fight is likely to be for the Shona vote, and here the battle will be between the Shona-based parties of Robert Mugabe and the Bishop. It will be a complex fight. The Shona are themselves divided into at least six major tribal sub-groups, but both sides are

armed and both are quite clearly prepared to use strong-arm tactics to bring out the vote.

In the present climate, with violent incidents like the two bus attacks and yesterday's attacks on ZANU (PF) houses in Salisbury, each side blames the other for the intimidation, Scratch deeper and on Mr. Mugabe's side you will find intense bitterness at the petty discrimination represented by the lack of telephones as well as deep suspicion at a more profound level of British motives in allowing the widespread deployment of Rhodesian troops.

Mr. Mugabe, at Lord Seamer's request, broadcast to his guerrillas to abide by the cease-fire terms and respect the elections. But conversations with his officials suggest that neither he nor his colleagues are voluntarily going to allow areas "won" by their guerrillas during the war to be taken over, militarily or politically, by their opponents. They see the deployment of Rhodesian troops and particularly of the security force auxiliaries created under Bishop Muzorewa, as an attempt by the Bishop to do just that.

Government House here continues to take the Rhodesian



line, arguing that the auxiliaries are non-political and under the full control of the Governor. Few foreign journalists who have travelled in the rural areas agree.

The Governor's dilemma is that he cannot afford to take too strong action—such as banning—against Mr. Mugabe's party because of the intensifying violence. To do so would bring an outcry from African and Commonwealth states which could well jeopardise the whole settlement exercise. On the other hand, he is being pres-

sured by Rhodesians and the Bishop to allow the Rhodesian forces to get much tougher.

The hope in Salisbury is that all parties are so locked into the election process that they will control their followers sufficiently for the election to be held. But a cartoon doing the rounds sums up the uncertainty and the dangers thereafter. It depicts the Governor, on the steps of an RAF VC-10 at Salisbury airport. The aircraft's engines are revving for take-off as the Governor declares: "And the winner is..."

## Use of force not ruled out by Carrington

BY DAVID TONGE

THE USE of British military force to support the U.S. in the Gulf was not ruled out when Lord Carrington, the British Foreign Secretary, answered questions on Afghanistan yesterday.

Asked by the Commons Select Committee on Foreign Affairs whether Britain would act with the Americans, he said he thought the threat to western interests was not from military action by the Soviet Union but from subversion.

"If there were a military invasion of one or other country in circumstances which were clearly unprovoked aggression and the U.S. decided—I hope in conjunction with its allies—that it would do, I hope we would be amongst those who would do it."

He stressed the importance of the Gulf of Hormuz to the West saying that two-thirds of the West's oil passed through it

and that any effort to block the strait would be considered "an act of aggression which could not be ignored."

Lord Carrington said that the West German idea of a regular dialogue between the European Community and the Gulf states was valuable. He did not think that Britain in its present position could do much alone against the Gulf and that any effort must be a joint western effort.

While adamant that pressure must be kept up on the Soviet Union so that it withdrew from Afghanistan, Lord Carrington still favoured pressing for "arms limitation and defence which is mutually beneficial."

From Afghanistan, it was reported yesterday that an indefinite strike in protest against the presence of Soviet forces in Afghanistan has closed markets in Kandahar. A similar 10-day protest in Herat, ended on Thursday.

## Iranian industrial shortages

TEHRAN—Iranian industrial managers have reported that all sectors are facing raw material shortages and many sectors are in financial difficulties, according to a report by the Central Bank quoted by the Tehran newspaper Bamdad.

Production of machinery and equipment in Iran is running 40 per cent below the first quarter of last year, the report said. The newspaper also said the report covered output of cars, tractors, electrical appliances, non-electrical household goods types.

Another Tehran newspaper reported that members of the international commission to investigate the alleged crimes of the deposed Shah of Iran will be chosen under the supervision of Dr. Kurt Waldheim, the United Nations Secretary-General, from among prominent international lawyers and other personalities. Iran accepted Dr. Waldheim's proposal for the establishment of the commission earlier in the week.

Meanwhile Panama is said to have told Iran that the Shah is on bail there after being arrested on behalf of the Iranian authorities. He is not free to leave the country, according to lawyers close to the Tehran government.

The lawyers said the Shah was served with a warrant on January 22, but immediately freed on bail on condition that he did not leave Panama. Iran was then given 60 days to present a formal case for extradition. Agencies

## Reshuffle likely in China soon

BY TONY WALKER IN PEKING

A RESHUFFLE in China's top policy-making body is expected soon. A number of younger officials are likely to be promoted to senior posts in the Politburo, further strengthening the position of Mr. Deng Xiaoping, the country's senior Vice-Premier.

A meeting of the standing committee of the National People's Congress (China's Parliament) which is in progress in Peking is thought to be the prelude to an important session of the Communist Party's

central committee. The central committee is expected to endorse changes in the personnel and structure of China's ruling bodies.

These changes are likely to include the creation of new Premier and Vice-Premier positions.

The standing committee meeting is considering an important speech given by Mr. Deng to leading cadres recently. Western diplomats believe a commentary in the Communist Party newspaper, People's

Daily, this week reflected the substance of the speech.

The commentary, entitled "decade of great tasks," claimed that a chaotic situation in the economy had been changed through the policy of readjustment. It called for resolute measures against people who disrupted the party line.

Some analysts have interpreted this as confirmation that a new purge is on the way of those in senior positions who were sympathetic to the aims of the Cultural Revolution.

## S. Korea urges Geneva talks on reunification

BY RON RICHARDSON IN SEOUL

SOUTH KOREA yesterday proposed that the Prime Ministers of South Korea and North Korea should meet in Geneva for talks aimed at eventual reunification of the country.

The proposal was made during a meeting at the border village of Panmunjom, at which three delegates from South Korea talked with North Korean counterparts.

The North Koreans, who initiated the talks, offered a

prepared text saying that public meetings between Heads of the two Governments should be held alternately in Seoul and Pyongyang.

No discussion of South Korea's proposals took place at the meeting and the delegates agreed to meet again at Panmunjom on February 19.

Seoul insists that talks should aim first at reducing tension in the Korean peninsula.

## Indo-Pakistan accord

INDIA and Pakistan have assured each other of their peaceful intentions despite differences over the Soviet Union's military intervention in Afghanistan, representatives of both Governments said in Islamabad yesterday.

The statement was made after two days of talks between Mr. R. D. Sathe, the Indian Foreign Secretary, and Mr. Shah Nawaz, Pakistan's Foreign Ministry chief.

The discussions, which were part of routine consultations be-

tween the two Governments, had taken on a new significance following the Soviet move.

Mr. Sathe said at a Press conference that there were certain differences of opinion, but he hoped that the Soviet intervention would not cause a strain in Indo-Pakistani relations.

He said: "The result of our talks is that both countries wish to be friendly with each other. This is an important understanding. We are aware of Pakistan's feeling and we have taken note of it," he said. Reuters

## Israel's nagging doubt about Syria's intentions

BY REGINALD DALE, RECENTLY IN SOUTHERN LEBANON

IN THE REMOTE mountains of southern Lebanon, Major Sa'ad Haddad is braced for an attack by the Syrian army—an attack he is confident he can withstand.

His self-proclaimed area of "Free Lebanon" has held out for five years against Palestinian, Lebanese, Moslem and Syrian forces, and Major Haddad, as a Christian, believes he has divine protection.

To Israel, Major Haddad's precarious Free Lebanon is of vital strategic importance. Fifty miles long and between three and ten miles wide, it constitutes a buffer zone between the official northern Israeli frontier and the turbulent main area of the country where Syria keeps some 24,000 troops, theoretically as a peacekeeping force.

United Nations forces set to separate the combatants in the south can hardly be said to be particularly effective. But there is a strong element of comic operat about Major Haddad's 600-strong army. No-one really believes that the short, balding 42-year-old Major with his sandy moustache is going much further than where he is now. The Israelis give him just enough

World War II-type equipment to maintain his hold on the villages, south of the Litani River (Israel's unofficial security line) and the rest of his outside support comes from the Voice of Hope radio station, financed, it is claimed, by individual Americans and Canadians.

The station, which is soon to add television, broadcasts 14 hours of country and western music a day, plus four hours in Arabic interspersed with biblical messages, over an area reaching to Beirut, Damascus and Amman. Regular artillery exchanges between Haddad's army and the PLO in the ruined Beaufort Castle north of the river are largely for dramatic effect.

There is no doubt that an assault by the Syrian army would be met by a massive response from Israel, which regards "Free Lebanon" as essential to its northern defences. The question that everyone is asking is whether that attack will come.

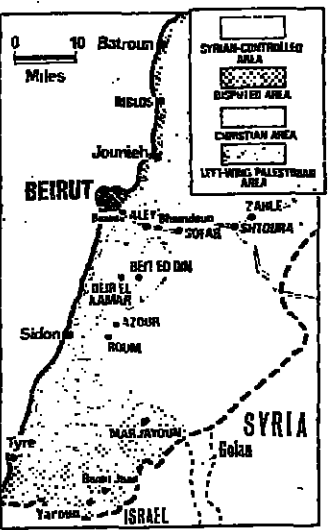
Two weeks ago, according to Israeli informants, Syria moved reinforcements into Lebanon and redeployed its forces into operational formations. Previously the Syrian troops were playing a scattered policing role in their capacity as the Arab Deterrent Force separating the country's warring Christian and Moslem militias.

Israeli military analysts confess that their intelligence has not given them enough to be sure about Syrian intentions. The redeployment could be for so-called "technical" reasons. There may be a need to crack down on lax discipline by concentrating the troops and giving them a chance for proper military training.

The new formations may also be for defensive purposes to guard the roads to Damascus against an Israeli attack. But there remains a nagging doubt in Israeli minds that the Syrian redeployment could be the prelude to an offensive. This would necessarily involve a frontal assault on Haddad's forces, or on the Israeli-held Golan Heights to the east.

The troop realignment, coincided with the visit to Damascus of Mr. Andrei Gromyko, the Soviet Foreign Minister, reinforcing suspicions that the Russians would like to distract attention from Afghanistan by Syrian military activity.

The Government of Syria's President Hafez al Assad faces mounting internal problems and feels isolated in the Arab world. It may want, Israelis feel, to reassert its claim to be the foremost opponent of Israel.



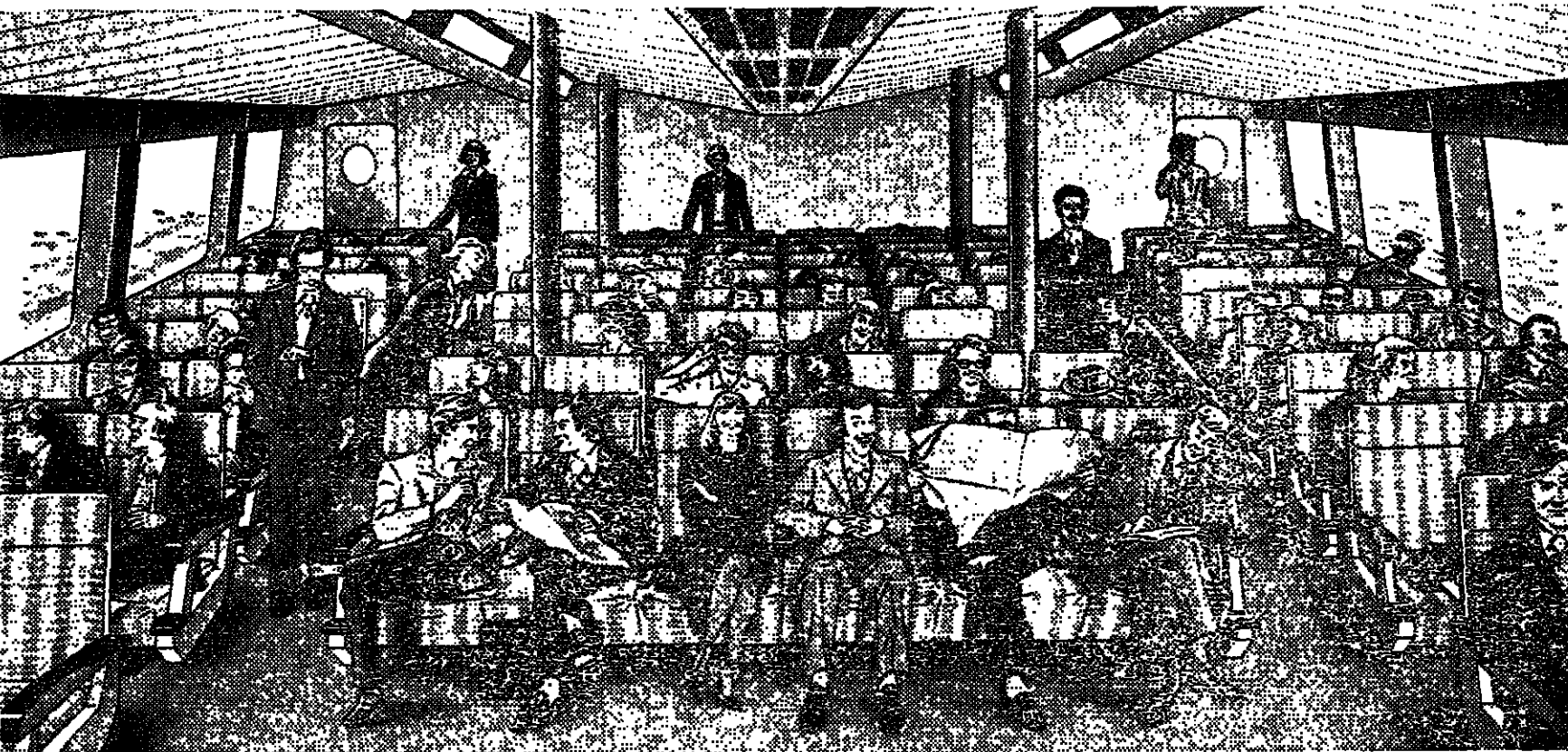
Most important, perhaps, the Israelis fear that Syria may see this moment as its last chance to stop the Camp David Israeli-Egyptian peace agreement from turning into an irreversible process.

What they would need to do first, however, is to force the Israelis into an aggressive role by needling them with provocative actions, such as, for example, the latest troop movements. Then they would hope that pressure from the Arab world and inside Egypt would oblige President Anwar Sadat to break off contacts with Jerusalem.

The Syrians would also, of course want to be sure that the Israelis would not change the rules of the game dramatically and roll their tanks down to Damascus. Despite Syria's material strength in sophisticated modern weapons, there is little doubt that the Israelis would win an all-out war.

On the Israeli side, the consensus is probably that a major new war is not about to break out next week. Jerusalem has constantly stated that it will not jeopardise peace with Egypt by striking first. But until the Israelis are clearer about Syria's real intentions they are going to remain nervous and apprehensive.

Ihsan Hijazi adds from Beirut: The Lebanese Government decided yesterday to deploy the regular army in positions in Beirut and other Lebanese areas from which about 5,000 Syrian troops are to be withdrawn later this week.



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# FTC reduces scope of probe into car makers

BY IAN HARGREAVES IN NEW YORK

THE SCALE of a four-year-old anti-trust investigation into General Motors and other U.S. car manufacturers is to be greatly reduced, the U.S. Federal Trade Commission (FTC) announced yesterday.

As a result of the change Chrysler, Ford and American Motors are now virtually excluded from the investigation and a "substantial reduction" is promised in the breadth of the study at GM.

The move has considerable significance for the regulatory climate in which the biggest U.S. corporations operate. The agency said it had changed tack because of the financial weakness of Chrysler and the fact that motor imports were now a more serious competitive threat.

Foreign car manufacturers took a record 26 per cent of the U.S. car market last month, having reached a record annual market share of 21.5 per cent last year.

The FTC decision on its motor investigation—which had been one of its biggest current projects—however also had some political undertones.

The Senate yesterday began consideration of a bill which would curb the commission's powers and could lead to some form of congressional veto over its decisions.

The commission's action on the motor investigation is therefore both an attempt to show it is acting responsibly at a time when the motor industry is in great difficulties, although it is ironic that those difficulties are leading to ever larger market shares for GM at the expense of Ford and Chrysler.

Last month, GM took 65 per cent of the U.S. car market.

The commission began its investigation of the car industry in August 1976 and in spite of various court actions by General Motors has insisted on carrying out a detailed study of competitiveness within the industry over a long period of its history.

There was no comment from the commission on its other major anti-trust investigation, a ten-year-old examination of competition in the oil industry. It is felt, however, that the tide of feeling against overseas anti-monopoly powers, as expressed in the legislation now before Congress, is leading to a cooling of this and other actions being taken by the U.S. Justice Department, which has similar powers to those of the FTC on anti-trust matters.

The Justice Department's most celebrated case is an 11-year-old action against International Business Machines, which is expected to be concluded shortly.

## RCA seeking insurance for lost satellite

By David Lascelles in New York

RCA, the large U.S. telecommunications company, has abandoned attempts to recover its runaway satellite, and is going to lodge a \$50m insurance claim instead.

Announcing this from its New York headquarters yesterday, RCA said the insurance would cover the cost of both the satellite and compensation for any business interruptions caused by the loss.

The saga of RCA's lost satellite began in early December when the one-ton SATCOM 3 was launched from Cape Canaveral. All went well for four days. Then RCA commanded it to fire a rocket which should have put it into permanent orbit 22,000 miles above the Pacific Ocean. But that was the last RCA saw of its satellite.

John Moore adds: Lloyd's of London and London insurance companies have led on the insurance of the satellite although a large part of the risk is insured in overseas markets.

## Terrorists try to force Salvador siege surrender

By David Lascelles in New York

SAN SALVADOR — Right-wing terrorists kidnapped three Communist leaders and threatened to kill them if leftist forces occupying the Spanish embassy did not pull out by last night, but later released the hostages unharmed, according to police.

There was no immediate explanation why they were released. The rightists also had threatened to burn the embassy with the occupiers inside.

About 20 members of the February 28 Popular Leagues, or LP-28, took over the Spanish embassy without a fight on Tuesday, taking the Spanish Ambassador and eight other persons hostage. They demanded that Spain break relations with El Salvador's military-dominated government and that the Government release four LP-28 members they claimed were arrested on Sunday.

Meanwhile, police reported that another leftist leader was machine-gunned to death at his home on Tuesday night, and about 100 radical high-school students were still yesterday holding Sr. Eduardo Collindres, Education Minister, and hundreds of others hostage at the Education Ministry.

The students invaded the Ministry on Tuesday demanding a 40 per cent reduction in the tuition fees charged by private colleges, expanded enrolment at free public universities and the dismissal of some Education Ministry officials.

There was no immediate indication of what the government might do about the threats from the ultra-rightist organisation for the struggle against communism.

The Popular Leagues and half a dozen other militant Left-wing groups accuse the junta of not carrying out social and economic reforms promised after the overthrow of the Right-wing military President Carlos Humberto.

Meanwhile, police reported that another leftist leader was

# Brazil takes over farm land

BY DIANA SMITH IN BRASLIA

PRESIDENT Joao Figueiredo of Brazil has declared expropriation of nine large estates in Mato Grosso do Sul state, in the centre of the country, as part of his move toward agrarian reform. The area of these estates, totalling 47,700 acres, will be broken up into 1,000 smallholdings. These will be distributed to landless small farmers and their families.

The presidential palace says that more expropriations in other areas will follow. The decree, signed on Tuesday, states that expropriated areas are "declared a priority for the purpose of agrarian reform."

Late last week, Sr. Figueiredo ordered the setting up of an executive group to study land problems in the Amazon state of Parana, an area of critical rural tension.

This evident recognition by the presidency of the principle that "the land must go to those who work it" should help to solve centuries of land disputes in Brazil.

The problem began under the Portuguese crown, from which Brazil severed itself in 1822. Favourites of the Lisbon court were given large areas of land—some as large as a European country. Few of their descendants have chosen to work the estates, the rest have left the land to fallow. Brazil's population has exploded and placed critical pressures on food supplies.

For generations smallholders, tenant farmers, sharecroppers and squatters have struggled to work whatever farms they can occupy, many of them dying at the hands of hired gunmen or hunger.

As the search for arable land becomes more desperate, dispossessed sharecroppers frequently raid Indian reserves, killing tribesmen, and decimating forest of woodlands. These side-effects of land tension are also radically altering microclimates and contributing to creeping desertification in several zones.

Brazil's agriculture is in a



Governor Jerry Brown—nearing his last chance.

## Kennedy depicts an 'unholy alliance'

By Jurek Martin, U.S. Editor in Washington

APPARENTLY FACING a second defeat in this week's Democratic party caucus in Maine, Senator Edward Kennedy has accused President Jimmy Carter and California Governor Jerry Brown of entering into an "unholy alliance" to undermine his chances in the State.

Specifically, Mr. Kennedy charged that the Carter campaign has been providing Mr. Brown's people with useful computerised lists of registered Democrats in the State. He added that he was not particularly upset by this, since it was a typical piece of political infighting.

Several months ago, when Mr. Carter was far behind Mr. Kennedy in the polls, the President's strategists were openly hoping that Mr. Brown would make a respectable showing, simply because Mr. Brown was less likely to draw votes away from the President than from Mr. Kennedy.

Now that the boot is on the other foot, the hope still exists that whatever support Mr. Brown can muster will slow the slippery political further push Mr. Kennedy slope.

Certainly Mr. Brown, whose candidacy had itself slipped into near oblivion in recent weeks, is doing his best to help, even in inadvertently. He scrapped his previous campaign schedule in order to concentrate exclusively on Maine in the hope, he says, that he, not Senator Kennedy, would ultimately survive as the sole Democratic challenger to the President.

No current poll suggests he has much of a chance of realising this goal. Moreover, Mr. Kennedy is leading in whatever the outcome in Maine, and in New Hampshire two weeks later, he is in the race to stay—hoping that the tide against him will eventually turn.

Even if it does not, some of his advisers suggest, staying the course and gamely plugging the liberal line in domestic policies will enhance the Senator's political reputation—much as it did that of Congressman Morris Udall from Arizona who, while never winning a primary, fought almost all of them in 1976 and finished second to Mr. Carter and is indisputably today one of the most respected members of Congress.

# Leyland to sell 200 buses to Iraq

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND VEHICLES has broken back into the bus market in Iraq with a contract for 200, worth £15m when the value of spares and special equipment is taken into account.

The deal has extra significance for Leyland because it seemed at one stage that Iraq might give up buying British buses, mainly because of political problems between the two countries.

Last year Iraq gave MAN of West Germany that company's first contract for double-decker buses when it ordered 400, even though it already had a big fleet of Leylands—complete with spares and back-up equipment.

However, it now seems that Iraq will dual-source its double-decker bus fleet.

Another important consideration for Leyland in the new contract is that it includes three of the new Leyland bonnetted trucks (formerly designated T43) developed specially for overseas markets.

Sold in the form of a tanker, a breakdown vehicle and a cargo carrier, the three vehicles will provide potential Iraqi customers with the chance to see how Leylands operate in local conditions.

The contract, awarded by Baghdad Passenger Transport Services, is for 300 Leyland double-deckers to be delivered over the year from the middle of 1980.

They will join 400 other Leylands already in service in Baghdad and 300 older Leyland models.

The chassis will be made at Leyland, Lancs., and Leyland 680 engines will be used. Body building will be carried out by Willowbrook of Loughborough, a company which is not a Leyland subsidiary.

Leyland said yesterday it was confident of getting further orders from Iraq.

Mr. Frank Andrew, sales and marketing director, commented: "We are excited by this new contract because it represents a come-back for us in this very important market. We went through a bad patch recently when the German buses were bought. So we are delighted that the authorities chose our models."

## Soviet trade with West climbs by 21%

BY DAVID SATTIN IN MOSCOW

WITH FAR reaching Western trade sanctions going into effect, official Soviet trade statistics yesterday demonstrated that Soviet trade with the West has had an underlying healthy trend. It rose by 21 per cent during the first nine months of last year compared with the same period of 1978.

The Soviet Union also significantly reduced its deficit in trade with the West in the first nine months of 1979 by increasing the value of its exports 33 per cent and even building up an unusual surplus of 608.3m (422m) surplus in the third quarter.

Soviet trade with the West in the first three quarters of 1979 reached a value of \$17.8bn, 21 per cent higher than the value of trade in 1978 which was only \$14.7bn.

The most important factor in the rise was an increase in the value of Soviet exports, which was apparently accounted for by higher prices for Soviet oil and gas.

Soviet exports had a value of \$8.3bn in the first three quarters of last year compared with \$6.2bn in the equivalent period of 1978, but imports also rose sharply to \$9.4bn in the first three quarters of last year compared to \$8.4bn for the same period of 1978.

The size of the Soviet deficit with the West which had been of concern to some Western bankers was reduced to \$1.1bn, approximately half the deficit for the same period in 1978 which was \$2.16bn.

## Krupp order to build coal plant in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND is interested in continuing its trade contacts with West Germany despite the worsening East-West political climate.

This is shown by a meeting this week between Mr. Piotr Jaroszewicz, the Polish Prime Minister and Mr. Berthold Beitz, the chairman of Krupp.

Mr. Beitz was in Warsaw for talks on further co-operation following the signing of an agreement with Krupp to build a coal gasification plant at Libiaz in southern Poland.

Polish-West German trade contacts came into question when Count Otto Lambsdorff, the West German Economics Minister, postponed bilateral talks scheduled for January 19. The reason given by the West Germans was that last minute proposals made by the Poles had to be examined in detail. But it was widely believed in Warsaw that the postponement had been caused by the worsening climate following the Soviet invasion of Afghanistan.

Roger Boyer in Bonn adds: Krupp Koppers, the Krupp steel and engineering subsidiary, confirmed it was to build a DM 250m (\$64.1m) coal-into-gas plant in Poland. The agreement was reached after several months negotiations with the Polish Koper agency.

The Krupp Koppers plant will be able to produce 950m cubic metres of gas a year from hard coal which will be excavated in the Katowice area near Libiaz.

## Agreement to restart Iran plant

BY SIMON HENDERSON IN TEHRAN

MR. EIMEI YAMASHITA, senior managing director of Mitsui and president of the Iran Day Petrochemical Company (IDPC), told the Financial Times here yesterday that agreement had been reached for resuming work "as soon as possible" on the \$3.3bn Bandar Khomeini petrochemical project. But although Mr. Yamashita is returning to Japan today he indicated that there were still problems to be resolved.

Mr. Yamashita said the next stage would be for Kayo Construction Company, which is building the liquid petroleum gas (LPG) tank, to send back 100 Japanese engineers. The Chubuulit Company of Japan, another contractor, has already sent back 30 men who are repairing living accommodation on the site.

Mr. Yamashita said the main problem in resuming work was the need to reach agreement on specific expenses over and above the original contract. But he thought this would soon be solved since it was only a technical matter.

The three stages to be completed are: the LPG production plant, which should be completed by the end of this year; an ethylene plant, which is due to be started at the beginning of next year, and an aromatics plant.

Problems facing the project since the revolution have been Iranian demands that more local people should be employed and also that Japan should provide training for Iranian engineers.

Mr. Yamashita said all 28 Japanese contractors involved were being held to employ as many Iranians as possible and were being made to recruit Iranian engineers.

Feedstock for the complex is due to be supplied by a gas-cleaning and liquefaction plant being built at Ahwaz by Parsons of the U.S. but it withdrew following the hostage crisis. Mr. Yamashita said he hoped that relations would improve so that Parsons could come back.

Otherwise Iran would have to find another company to complete the work. If necessary, he said, the Japanese would be ready to do this.

## Japanese to resume Iran steel sales

By Charles Smith, Far East Editor in Tokyo

Japanese trading companies have resumed discussions on the export of steel to Iran after a period of four to six weeks in which little or no business was transacted. This was confirmed yesterday by Marubeni Corporation.

The amount of steel which Iran wishes to buy is not known precisely, but would appear to be at least 200,000 tons a year for delivery in the second quarter of the year.

The trading companies say that the suspension of export negotiations with Iran during much of December and January was caused by doubts about Iranian ability to pay rather than by political factors. During the past month it has been possible to conduct checks on the creditworthiness of potential customer and thus to resume talks. Steel sales, however, are made for cash.

## Joint tank venture to cost \$10bn

BY DAVID WHITE IN PARIS

THE FRANCO-GERMAN agreement on a new tank for the 1990s, signed here this week, is reckoned to involve about 5,000 units and an investment of \$10bn (\$4.3bn), according to reports here.

The agreement, signed by Defence Ministers, Herr Hans Apel and M. Yvon Bourges, followed earlier West German disappointment over tank co-operation with the U.S. in the initial stages, the possibility will remain open of participation by a third European partner.

The new tank will be a replacement for France's AMX-30 and West Germany's Leopard 1.

It will be built on a 50-50 basis by the French Groupement Industriel pour les Armements Terrestres (GIAT), a State-run concern under the control of the French Defence Ministry, and the West German MKS consortium, which includes Krauss Maffel, the builder of the Leopard 1 and Leopard 2.

The precise division of labour for the tank, which will weigh about 40 tonnes, has yet to be decided, but the French side is expected to take responsibility for the turret and armaments and the German side for the chassis and motor.

## Warning for UK exporters

By Margaret Hughes

BRITISH EXPORTERS are strongly advised not to undertake business with Iranian buyers on a letter of credit basis unless they are confirmed by a Class A bank in London.

It appears that Iranian customers in negotiating purchases with British suppliers have been offering payment on a letter of credit basis. However, Iranian banks are not prepared to confirm these in London.

This advice was given yesterday by Mr. Derek Gorton of Barclays Bank International, to the London Chamber of Commerce export finance discussion group. There is still no ECED cover available.

Mr. Gorton gave similar advice to exporters doing business with Nigeria, emphasising that letters of credit should be confirmed in London by a UK bank. But Mr. C. T. A. Million Job of the National Nigerian Bank stressed that confirmation provided by his own bank in London gave equal security to the exporter. He also said that UK exports to Nigeria could be financed in currencies other than sterling.

# Scandal may rebound on FBI

ONE REPUBLICAN Congressman and seven Democrats including a Senator have so far been named in the fulsome leaks this week of the U.S. Federal Bureau of Investigation's undercover operation, designed in its latter stages to flush out political bribe-takers.

One Democratic leader called it a national tragedy. The Republicans charged that it was symptomatic of a climate of corruption created by 25 years of Democratic control of the U.S. legislature.

It is neither—though with the FBI masquerading as agents for Arab sheikhs, it is a tale that has titillated many. Sobering to recall, however, is the fact that over the past four decades less than 30 Congressmen (only two Senators) have been involved in criminal investigations, much less convicted. Allegations of skulduggery by the Ethics Committee in each house into what has already been christened "Abdulgate" by some. They may be hampered, however, by the Justice Department's refusal to turn over FBI

David Buchan reports from Washington that the political bribery scandal which erupted this week may embarrass Mr. William Webster, director of the FBI (right), as well as the Congressmen and a Senator allegedly accepting money from his agents.



evidence at least until its own investigation is complete. Mr. Benjamin Civiletti, the Attorney General has in fact asked Congress to delay hearings until any criminal trials are over.

Meanwhile, some serious questions have to be asked about FBI methods in "Abdulgate." On what basis was a probe begun in 1978 into stolen art and government securities, subsequently turned into a fishing expedition with certain politicians as its targets? Were those who allegedly accepted pay-offs "entrapped" by the FBI into doing something they otherwise would not have done? Ultimately, these may be questions for the courts to determine. But meanwhile, a fresh controversy over the FBI has broken out. Mr. William Webster, the FBI Director, said his agency had taken special care to avoid any charges of entrapment being successfully used against it. At the White House, Mr. Jody Powell, the President's Press Secretary, likened the FBI's methods to those used routinely by reporters who pretended to officials they had more than they really had on a story in

on Capitol Hill has been nearly as prolonged as that of ruling government parties in Italy and Japan (and in the latter the 1975 Lockheed contract payments scandal showed corruption had made some inroads). Perhaps prolonged power does lead to complacency.

On the surface, Democrats are more likely to be the target of corruptors simply because they are more numerous than Republicans and, as the majority party, hold the power (not inconsiderable under the U.S. system) of committee chairmanships.

Corruption allegations in recent years have tended to centre not only on Democrats (believed to be generally poorer on average than Republicans), but also on House members (known to be poorer on average than Senators). In the current congress, one-third of the 100 senators have disclosed a net worth of over \$1m—in the House less than 10 per cent rate as dollar millionaires.

Greed is obviously no respecter of an individual's wealth. At the same time, no congressman or senator (paid \$37,500 a year) is a hard-shipped case—though some cannot afford to house in both Washington DC and their home state or district.

Recent reforms place limits on how this can be supplemented by earnings outside, in order to prevent potential conflicts of pecuniary interest, but congressmen can still keep up to \$25,000 a year in "honoraria" (for giving speeches and the like) and up to \$8,625 or 15 per cent of their standard salary from outside employment.

## Saudis promise oil for Austria

BY PAUL LENDYAI IN VIENNA

SAUDI ARABIA has promised the chancellor Bruno Kreisky of Austria the shipment of "at least 1.7m to 2m tons of crude for Austria a year."

Talks about a contract are to be conducted directly between OEWG, the Austrian State oil corporation and Petromin, the Saudi Arabian oil company.

The Saudi crude would cover about one-fifth of Austria's annual oil imports which this year are expected to reach 9.1m tons in addition to a domestic output of some 1.8m tons.

The Saudi commitment, made personally by Crown Prince Fahd during Dr. Kreisky's weekend visit to Riyadh, is regarded here by oil executives as a major and unexpected breakthrough both with regard to future supplies and the alleviation of the strains on the external payments balance since Austria would have bought the same amount at much higher prices on the spot market.

OEWG has tried to secure such a contract at least since 1972. It is emphasised that, at a later date, the Saudi deliveries could be further increased. Last year Austria imported almost 2m tons of Soviet crude, 1.9m

## Egypt removes Israel boycott

CAIRO — Egypt's People's Assembly (Pam) has passed a Bill ending the economic boycott of Israel, the official Middle East News Agency reported yesterday.

The Bill was approved following normalisation of Egyptian-Israeli relations which began on January 26. The boycott was imposed by all Arab states in 1948 when the Jewish State was created.

The agency said all 30 members of the opposition Socialist Labour Party (SLP) abstained from voting on the draft Bill.

Mr. Ibrahim Shukri, the SLP leader, said they abstained because they felt Israel was not serious about granting autonomy to the 1.2m Palestinians living on the River Jordan, West Bank and in the Gaza Strip.—Reuter

## £127m loans for HK power plant

By Our World Trade Staff

LOANS of £108m and HK\$ 208m (£18.8m) both guaranteed by Britain's Export Credits Guarantee Department (ECGD) have been arranged for Kowloon Electricity Supply Company (KESCO) of Hong Kong by J. Henry Schroder Wagg.

The loans will finance a contract awarded in October last year by KESCO and GEC Turbine Generators for the supply of a second pair of 350 MW turbine generators and associated coal/oil-fired boilers being supplied by Babcock Power for KESCO's Castle Peak power station.

The UK loan of £108m, which is being provided by 15 international banks, will finance the UK element of GEC's contract.



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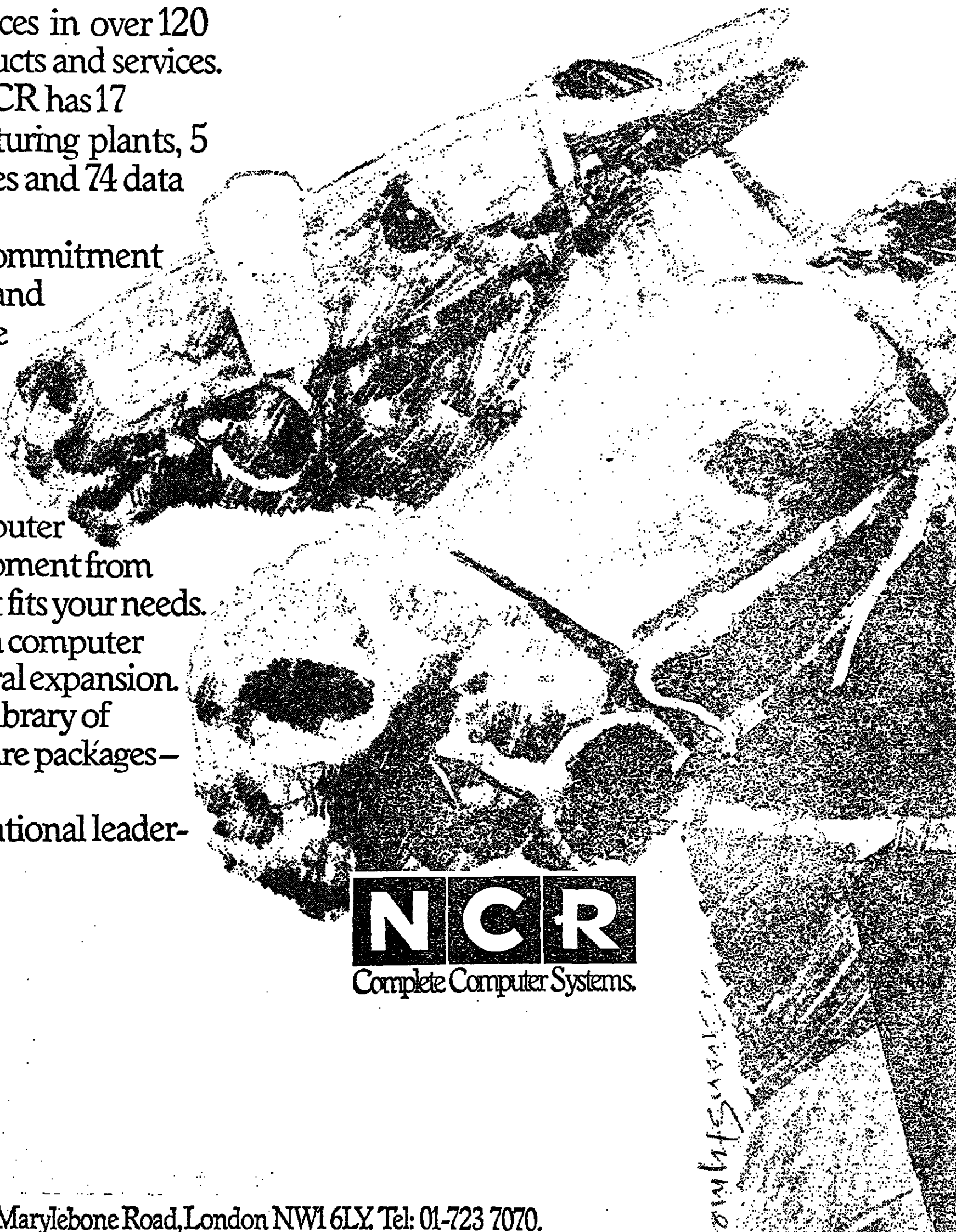
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## UK NEWS

## CAP 'will cost consumer £2.2bn'

BY DAVID MARSH

THE COST to the British consumer of the Common Agricultural Policy will be about £2.2bn in 1980, the Institute for Fiscal Studies says in a research paper.

The estimate is nearly twice as high as the figure of £1.2bn which the Government calculates as Britain's budgetary deficit with the EEC this year.

Mr. John Kay, the Institute's director of research, and Mr. Nick Morris, senior research fellow, claim that the £1.2bn figure is "almost meaningless" and substantially underestimates the cost of the CAP.

The Institute's paper says that the true cost is made up of two components. The first, which is likely to total £1.3bn in 1980, is the cost to consumers of higher EEC food prices, less the gain to UK producers from receiving correspondingly higher prices for their output.

The second, which is estimated at £975m this year, is the net contribution by British taxpayers from non-agricultural resources to EEC agricultural spending.

Mr. Kay said in London yesterday that it made no difference to the British consumer whether food prices were higher because of import levies transferred by the Government to Brussels, or simply because Continental producers were able to charge inflated prices for their output.

Yet in the first case the extra payment formed part of the budgetary deficit, and in the second it did not. "A more comprehensive accounting is required," he said.

The authors say the cost to Britain of the CAP has risen by about 50 per cent since 1978, partly because of the rise in value of sterling.

An appreciating currency would normally lower domestic food prices, or at least reduce the rate of increase, the research paper says. "Because of the CAP, however, UK food prices have not reflected the revaluation of sterling, and the green pound has even been devalued during the period."

The Institute for Fiscal Studies puts the total cost of the CAP borne by European consumers at £18bn. Less than 80 per cent of this is reflected in higher income to producers.

The remainder, amounting to £4bn, seeps away through the promotion of uneconomic production, reduction of consumer demand through high prices, costs of storing surplus produce and low-priced export sales, it says.

Based on figures for 1978—the latest year for which comprehensive data are available—the authors say the Common Agricultural Policy cost Britain nearly one per cent of Gross National Product that year, but the cost to Italy as a percentage of its national income was even higher.

Both countries, as well as West Germany, were net contributors of more than £1bn each, while Ireland, Denmark and the Netherlands were net beneficiaries.

## Gillett quits gilt fund management

GILLETT BROTHERS Discount Company is to wind up its operations in gilt edged fund management, Gillett Brothers Discount Fund Management will cease trading when Mr. George McNeill, the subsidiary's managing director, leaves the group on February 29.

Gillett Brothers, one of the City's 11 discount houses, entered fund management less than three years ago. Later this month the company will announce its annual results for the difficult trading year of 1979. It reported an overall loss in the first six months.

He was introducing a debate at the association's executive council meeting on the Local Government, Planning and Land Bill, which was approved on second reading in the Commons on Tuesday.

The association's opposition to the Bill's proposals was not divided by party. It agreed in principle with the Government's aims, but disagreed with its ways of achieving them.

Direct sales code

A CODE of practice to protect people who buy goods in their own home was published yesterday by the Direct Sales and Services Association, the trade body for the direct selling industry. More than 50m direct sales purchases, with a retail value of about £300m, are made every year.

## Police probe gilts deals after action by SEC

BY ANDREW FISHER

CITY OF LONDON Fraud Squad is looking into certain dealings in gilt-edged securities which took place at a leading firm of City stockbrokers, Hedderwick Stirling Grumbar, in 1977 and 1978.

The dealings have already led to unprecedentedly severe and sweeping disciplinary action by the Stock Exchange Council, full details of which were published yesterday.

It has expelled from membership Mr. Terence Webster, a former partner in Hedderwick, charging him with acting "in a disgraceful manner," suspended three others from trading, and censured the firm's managing director, Mr. Colin Franklin.

Mr. Webster, who is in his

early 30s, resigned from the firm a year ago when the enquiry was under way, was in charge of Hedderwick's gilt-edged department when the dealings took place.

According to the council, "he acted contrary to the best interests of certain clients of the company in not obtaining the best possible market prices but instead acted to benefit certain discretionary accounts."

The council found that he acted for personal gain by his handling of "put-through" deals, a trading device by which buyers and sellers of securities are speedily matched through a jobber.

The disciplinary accounts benefiting from these deals

included Ranelagh and Van Dyke Investments. Hedderwick says it has not suffered any financial losses as a result of the deals.

Mr. Webster's solicitors, C. M. Allie and Company, yesterday denied the allegations on his behalf, stating that they "were and are without foundation."

"Out of a series of allegations, only one identified bargain fell within the ambit of the charges which were held to be proved against him," the solicitors added.

Two partners in Hedderwick, Mr. John Bindon-Howell and Mr. David Byrner, have been suspended by the council from all trading for the next three months, and both have

resigned from the firm. An associate member of Hedderwick, Mr. John Piggott, has also resigned after being suspended for a month. All three were held by the council to have behaved "in a disgraceful manner" when part of the gilt-edged department.

Mr. Franklin has also been found to have acted discreditably in failing to exercise proper management and control of the department. He said yesterday: "When things go wrong in a company, the managing director must accept overall responsibility—that is one of the hazards of his job."

Mr. Franklin is due to retire next month. The present

chairman, Mr. Ralph Hedderwick, will retire this summer and is to be succeeded by Mr. Wallis Hunt.

"I was disappointed," said Mr. Hedderwick, speaking about the scope and severity of the council's action. He said he first heard about the particular deals in October, 1978, and immediately informed the Stock Exchange.

Leading Stock Exchange members said they could not recall a case involving so many people subjected to such stiff penalties. But they pointed out that the council had to be seen to be firm and fair, especially during the running debate on whether self-regulation of the market should be augmented or

replaced by legal sanctions. Mr. Hedderwick said he did not think the firm's reputation or business would suffer as a result of the Stock Exchange action.

"We took the initiative," he commented. According to Mr. Hunt, no jobber or client of Hedderwick's had ever complained about any of the gilt-edged deals.

The Stock Exchange stiffened its disciplinary rules in March 1978, and said yesterday that Mr. Webster's actions after that date amounted to "gross misconduct." He also failed to inform Hedderwick that a certain discretionary account was run for his own gain.

## NEB assets sales may be delayed

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

GOVERNMENT pressure on the National Enterprise Board to raise £100m from the sale of assets by the end of next month seems likely to be relaxed in order to permit a more rational disposal programme.

The Industry Bill, which will change the board's statutory guidelines, received its third reading in the Commons yesterday. It looks increasingly unlikely that the Bill will have completed its passage through the Lords in time for the royal assent by the end of March.

In that case, the obligation on the board to dispose of assets in accordance with its present

guidelines will be delayed for a short time. The original requirement on the board to contribute £100m to the £1bn sale of State assets by the end of the present financial year was laid down by the Chancellor in the Budget.

Sir Leslie Murphy, the previous chairman of the NEB, and Sir Arthur Knight, present chairman, have argued with the Department of Industry that such a rigid timetable might not be in the best interests of the taxpayer or the companies concerned.

So far, the board's selling of its 25 per cent stake in International Computers (ICL) last

December has been the only sale since the Government imposed the £100m requirement. The ICL sale brought in £35m. The other holdings that might be sold to raise the balance have never been specified but they are generally supposed to include holdings in Ferranti (50 per cent), Brown Boveri Kent (20 per cent) and Fairley Holdings (100 per cent).

Other disposals might yet possibly be made before March 31, the most favoured being the stake in Ferranti. The Ferranti management has made clear, however, that it would prefer the board to retain part of its stake.

## Sanctions papers 'withheld'

IMPORTANT documents are being withheld from Lomro, the overseas trading conglomerate, to its £100m claim against Shell, BP and 27 other oil companies over alleged breaches of Rhodesian sanctions. It was claimed in the Appeal Court yesterday.

Shell and BP had said they had no power to produce documents belonging to their subsidiary companies operating in Rhodesia, Mozambique and South Africa. Mr. Charles Sparrow, QC, told Lord Denning, the Master of the Rolls, and two other appeal judges.

Mr. Sparrow was opening Lomro's appeal against a High Court judge's ruling in private last Friday that Shell and BP could not be compelled to disclose the documents.

In January 1978, the High Court ruled that Lomro's claim against Shell and BP must be dealt with in private under the arbitration clause in a 1962 agreement and not at a public court hearing.

The 1962 agreement—between Lomro, the 29 oil companies and the then Rhodesian Government—provided for Lomro to build a pipeline from Beira in Mozambique to Rhodesia, and for all oil supplies to Rhodesia to go through that pipeline.

Sanctions imposed following Rhodesia's UDI in 1965 had meant the pipeline could not be used. But said Mr. Sparrow, Lomro had had the expense of maintaining it without getting any revenue from the oil companies which he alleged, had supplied Rhodesia with oil by other means.

Lomro's damages claim is based on the losses suffered as a result of alleged breach of contract by the oil companies and an alleged conspiracy by the oil companies and the then Rhodesian Government to ensure the continuing supply of oil.

Mr. Sparrow said that last December problems had arisen over the production of documents by Shell and BP in the arbitration.

Mr. Sparrow said that on December 18, shortly after the documents dispute had arisen, Lomro had received a letter from the Foreign and Commonwealth Office indicating that Crown Privilege might be claimed in respect of the Bingham documents, preventing them, in the public interest, from being disclosed. The letter had come as a bombshell.

Last Friday a High Court judge had ruled against Lomro on all three disputes about the documents, but gave Lomro leave to appeal against his decision in respect of the subsidiary companies' documents.

Mr. Sparrow said that, in addition to claiming they had no power to produce those documents, Shell and BP also argued that legislation in Rhodesia and South Africa prohibited the disclosure of information in this field to people outside those countries.

## Council house starts lowest since war

BY ANDREW TAYLOR

COUNCIL housebuilding in 1979 reached its lowest level since the last war, according to figures published yesterday by the Department of Environment.

At the same time a survey conducted by Shelter, the organisation for the homeless, indicated that recent decline in the length of council house waiting lists appears to have halted.

Council housebuilding has declined rapidly over the past four years as spending cuts have bitten deeply into local authority budgets. In England work on fewer than 47,000 new council dwellings was started last year.

This compares with 68,000 starts in 1978 and 81,000 in 1977. The highest level of starts for the decade was in 1975 when work on 110,000 new dwellings began.

The Shelter survey showed that last year just over 1m households remained on council house waiting lists in England and Wales—marginally less than in 1978. Shelter said yesterday that the decline in waiting lists now appears "to have

bottomed-out." Total housing starts in 1979, including the private sector, were 219,600—the lowest figure since 1951. Private sector starts of 139,000 last year compared with 157,000 in 1978.

The decline in the private sector reflects a shortage of building society funds to meet mortgage demand and also the bad weather during the early part of 1979 which effectively reduced building activity to nine months last year.

During the year a total of 234,700 dwellings were completed, against 278,000 in 1978. Public sector completions were 102,100, a decrease of almost 29,000. Private sector completions fell by 16,000 to 132,600.

A further decline in housebuilding activity, particularly in the public sector is expected this year. Some forecasts suggest that total housing starts could fall by a further 15 per cent in 1980.

The highest number of housing starts since the last war was in 1953 when work began on 348,000 dwellings. That year council house starts in England also peaked at about 170,000.

## Three 'talked before raid on Wm. Press'

BY ANDREW TAYLOR

THREE PEOPLE had supplied information to the Inland Revenue before a raid on the William Press engineering and construction group in March 1978, a court was told yesterday.

One of the three was Mr. Alec Ayliffe, the company's former internal audit manager, but the names of the other two people were not being disclosed.

The company and eleven of its executives are accused at criminal proceedings, at Caxton Hall, London, of con-

spiracy to defraud the Inland Revenue. Another two men are accused of false accounting.

Mr. Gerald Smith, a senior Inland Revenue investigator, told the court that the warrant to enter the William Press office could only be granted on sworn information before a circuit judge. This information had come from Mr. Ayliffe and two other persons acting separately.

Mr. Smith said that some of the files taken from William Press offices had been returned as irrelevant.

## Plan to publicise methods of computer-aided design

BY DAVID FISLOCK, SCIENCE EDITOR

A PLAN to publicise the advantages of computer-aided methods of designing and making goods has been put to the Government by its top scientific advisers.

British industry is lagging behind its main trading rivals in using computer-aided design (CAD) and computer-aided manufacture (CAM), according to the findings of the Advisory Council for Applied Research and Development.

The high cost of the equipment, once a serious deterrent, has begun to fall, the advisory council believes.

In its latest report, produced by a working party headed by Sir Robert Clayton, technical director of CEC, the council says that "failure of UK firms to adopt CAD/CAM through lack of appreciation of its advantages will make it that much harder

for them to withstand foreign competition." The report says that many companies, although aware that CAD/CAM is available, believe that because it is an advanced technology it is relevant only to high technology industries, such as electronics, aerospace and nuclear.

This is a misapprehension, says the council. It cites examples where CAD/CAM is helping in the manufacture of traditional products, including mechanical engineering parts.

The report also illustrates a trend, already apparent in the U.S., towards factories organised around a powerful data processing base. Such factories are known as integrated business systems.

Computer aided design and manufacture. 50, £2.85.

## Hollom to chair panel



THE BANK of England formally confirmed yesterday that Sir Jasper Hollom (right) retiring deputy governor of the Bank, is to become the next chairman of the Takeover Panel.

Sir Jasper will succeed Lord Shaveross (left) who has held the position as chairman since the Panel was re-constituted in 1969. Sir Jasper will assume the chair from June 1. Sir Jasper, 62, has spent his working life with the Bank of England. He has been deputy governor for 10 years, and was previously a director on the home side. Before that he was chief cashier, equivalent to the Bank's chief executive. He will continue in a non-executive capacity, and will have certain advisory duties.



## Merchant bankers split over accounting

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

A SPLIT has emerged in the Accounting Houses Committee, the London merchant banks' representative body, over the application of the new inflation accounting system to member banks.

Six of the 17 committee members, including Kleinwort Benson, the largest City merchant bank, believe that the proposals in exposure draft 24, a discussion paper issued by the accounting profession, are "wholly inappropriate" to banks. They call for a separate inflation accounting standard for the banking industry.

Apart from Kleinwort Benson, the group includes Brown Shipley, Guinness Mahon, Rea Brothers, Schroder Wagg and Singer and Friedlander.

Most members of the committee say according to papers published yesterday, that they will support the new accounting system by applying the rules to their true, though unpublished, accounts. In the published accounts, inflation accounting adjustments to profit will then be modified to the extent that an individual bank's assets and profits are disclosed. But even

the majority of the banks are against publication of an inflation-adjusted balance sheet.

Under existing company law, accepting houses and certain other banks are granted a legal privilege to publish accounts which do not have to give a true and fair view. Typically, this means banks create secret reserves and smooth earnings from year to year.

It was said yesterday that the split in the accepting houses did not signify a fundamental difference of opinion over the question whether the merchant banks should give up their accounting privileges. "As far as I can see nobody wants to remove the fig leaf," a merchant banker said.

The six dissenting merchant banks have told the accountancy profession's Standards Committee that "further research and discussion is necessary" to determine whether a suitable system of inflation accounting can be established for banks. They point out that exposure draft 24 accepts that other industries—insurance, property investment and dealing companies, investment and unit

trusts—should be exempted from the new rules. "It is our view that the distinctive features of financial entities engaged in other activities need to be recognised separately, not only with regard to an inflation accounting standard, but also in the development of accounting standards generally."

The dissenting banks say one feature of financial institutions, particularly banks, is that their assets are principally in monetary form, while the volume of assets and liabilities is a function of their capital base.

"Thus banks are concerned at least to preserve the capital base in real terms as well in monetary terms. Therefore a system of inflation accounting which would have to be formulated around maintenance of the capital base in real terms."

Another point raised by the six banks concerns the extent to which foreigners might be misled by inflation-adjusted accounts. "It needs to be borne in mind that customers of UK banks are

as likely as not to be foreigners and that the nuances of UK inflation accounting. This is but one factor which bankers have to recognise if they are to maintain confidence in their respective institutions, they say.

"Confidence is of crucial importance to banks and in our view it is unwise to adopt a proposal which in itself is not wholly appropriate to banks."

The clearing banks' method of accounting for deferred tax on leasing business comes under strong attack from the group of six merchant banks. They say this is giving cause for concern, "not least to the authorities."

"Indeed it would appear that some companies are writing business on optimistic assumptions which could indicate an anxiety to preserve the continued deferral of tax."

"Submissions on the Accounting Standards Committee's Exposure Draft 24: Current Cost Accounting," Price £50 for 5 volumes, are available from the Publications Dept., P.O. Box 433, Chartered Accountants' Hall, London EC2.

## Foundry closure costs 850 jobs

BY ROY HODSON

THE WEIR Group is to close a steel foundry in Sheffield with the loss of 850 jobs only four months after closing the Alston Foundry, Cumbria, employing 130.

O. H. Steel Founders and Engineers, a Weir subsidiary making steel castings at Alston Road, Sheffield, will close after talks with the unions on a planned run-down.

The company said last night it was having to consider its position because of poor market forecasts. "There are no signs that demand from the industry's main customers will improve in the short or medium term."

Demand for iron and steel castings in Britain and Europe has been poor for more than a year, and in recent months demand for steel castings has scarcely reached 50 per cent of the European industry's capacity.

Other Weir Group foundries at Leeds, Sunderland and Holbrook are operating profitably although at lower levels than in recent years. O. H. Steel Founders and Engineers, however, made heavy losses in the last two years. The group says there is no sign of a recovery.

More than 40 iron and steel foundries closed in Britain last year.

The Steel Castings Research and Trade Association has proposed government backing for reducing the industry's production capacity by 100,000 tonnes a year to about 150,000 tonnes a year.

The Weir Group said the decision to close the Sheffield plant is not connected with the current national steel industry dispute.

## Shell sees Salem witnesses

By John Moore

WITNESSES to the sinking of the Very Large Crude Carrier Salem and disappearance of a cargo of 193,132 tonnes of crude oil owned by Shell have been giving evidence to Shell's lawyers in South Africa.

Shell has instituted legal proceedings in South Africa against parties who took delivery of the oil after the Salem made an unscheduled stop at Durban, when it was bound from Kuwait to France.

Shell had bought the oil, which has an insured value of \$65.3m, in mid-July from a European company, Pontoil. Kuwait has suspended oil sales to Pontoil pending an investigation of the sinking of the Salem off the coast of West Africa. Sheikh Ali Jaber al Sabah, Assistant Under Secretary in charge of oil contracts, said yesterday. He described the sinking as one of the century's greatest piracy operations.

Sheikh Ali said a preliminary investigation suggested that the Salem was deliberately sabotaged. He stressed that Kuwait strictly prohibits resale of its crude to South Africa because of South Africa's racial policies.

All contracts between Kuwait and Pontoil are to be cancelled and Pontoil are to be deprived of Kuwaiti oil, if the preliminary investigations prove to be correct.

## BSC wins injunction

THE British Steel Corporation was granted a temporary injunction in the High Court yesterday to stop Granada Television using or disclosing corporation documents.

The order, made by Mr. Justice Oliver, is effective until next Tuesday, or earlier if Granada applies to have it discharged.

Mr. Leonard Hoffman, QC, for BSC did not disclose the nature of the documents. But an affidavit giving the corporation's case was handed to the judge. Granada was not represented at the hearing.

## Easter target

BIRMINGHAM'S BUSINESS community has contributed 45 per cent, that is £172,367, of the £382,000 raised since July 1976, by Birmingham Cathedral Restoration Appeal towards its £400,000 target. Private donations total £14,434, charitable trusts' contributions £71,655, and special events have raised £35,318. The balance comprises interest and sundries. The appeal committee hopes to raise the last £118,000 before Easter.

## HAT group

WE HAVE been asked to point out that the HAT Group of Bristol has no connection with Hilton Amalgamated Transport mentioned in Men and Matters yesterday.

## SALEROOM

BY ANTONY THORNCROFT

At Christie's, South Kensington, an auction of mechanical music brought in £41,531. A symphonium musical long case clock sold for £3,700 and a rare key wind musical box by Humbert Brolliet for £3,200. A musical liquor dispenser in the form of a cottage organ fetched £550 and a similar went to the same buyer for £500. Top price in a Warwick and Warwick stamp sale was the £8,100 from an American dealer for a £10 black and green Uganda/Tanganyika stamp of 1922-27.



مكتبة الامم المتحدة



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## UK NEWS

## PARLIAMENT and POLITICS

## Energy saving 'more costly' than waste

BY JAMES McDONALD

IT IS cheaper to waste energy than to buy equipment to save it in many instances, according to a working party report of the heating, ventilating, air conditioning and refrigeration equipment industry.

Though supporting the Government's energy saving drive in principle, the industry's 1980 progress report to the National Economic Development Council says high interest rates make most energy saving schemes requiring capital investment singularly unattractive.

"The Government could help by making low interest rate loans over, say, three to five years, at a level which would make energy saving projects attractive."

Until investment in energy saving is more attractive than investment in additional production, firms will use cash resources to increase profitable production "which, unfortunately, may well waste even more energy."

The UK industry's output in 1978, at £200m, was 4.7 per cent higher than in 1977. But the improvement was not sustained into the early months of last year. Unless the position is shown to have improved in the rest of 1979, "the growth trend in real output which commenced in 1978 might be broken," says the report.

Home demand in 1978 increased 3.5 per cent. While better than mechanical engineering as a whole, it lagged behind the construction industry's 7 per cent increase.

"This failure to keep pace with activity in the construction sector is disquieting in view of the stimulus to demand from the current campaign for energy conservation and the shift to gas fuels resulting from changes in fuel price relationships."

The working party expects the home market to increase by 1 per cent a year in the next five years. Imports should be reduced to 19 per cent compared with the current 22 per cent share in the home market, and export growth should rise by 54 per cent a year.

The report says the objectives for 1980 will probably require an additional 4,000 employees, although productivity improvements may reduce that. The most important influence will be the use of micro processor controls, calling for greater concentration on quality control personnel.

In 1980 the sector working party will help in the industry's fight for a greater share of world export markets.

Heating, Ventilating, Air Conditioning and Refrigeration Equipment, SWP, Progress Report, 1980, National Economic Development Office, Millbank Tower, Millbank, London SW1.

## Dearer oil 'deepens recession'

BY DAVID MARSH

THE LATEST increases in oil prices will both deepen and prolong the world recession, according to a report on the world outlook by the London Business School. It says Gross National Product in the major industrialised countries is expected to fall 0.75 per cent in 1980 compared with last year.

The report is significantly more gloomy about international prospects latest assessment by the Organisation for Economic Co-operation and Development, which is forecasting essentially flat output for the main countries this year.

The London Business School expects the level of industrial production will fall 1.5 per cent this year in the industrialised countries. The annual rate of consumer price inflation is likely to remain unchanged at about 10 per cent.

The doubling of world oil prices in the past 12 months will hit the world economy less severely than in 1974/75, when prices quadrupled. The real impact of the latest rises is estimated at three-quarters of that of the previous oil crisis.

But—partly because of tight monetary policies in most countries—activity is likely to recover less quickly than after the last recession. World trade and output will remain depressed in 1981, with no international recovery expected until 1982, the forecast says.

Comparing levels at the end of each year, world GNP is expected to fall by nearly 2 per cent in 1980, with industrial output falling 4 per cent.

The cyclical trough in the world economy should be reached by the end of 1980. But overall GNP is likely to rise only 0.75 per cent in 1981, with industrial production expected to show no growth.

World trade in manufactures is estimated to rise only 1 per cent this year and 0.5 per cent in 1981.

## Trading policy must strike an effective balance, says Nott

BY FRANK GRAY

BRITISH TRADE policy must strike a balance between the need to protect home industry from unfair and disruptive imports and the effective promotion of export trade, on which one third of Britain's manufacturing industry depends, Mr. John Nott, Trade Secretary, said yesterday.

In a submission to the National Economic Development Council Mr. Nott stressed the importance of the Eastern bloc and developing countries as markets for British exports, pointing out that Britain still enjoyed a trade surplus with these countries. But he added that it was right to give British consumers access to a wide range of imported consumer goods, "provided that they are traded in fair conditions."

He pointed out that more than 95 per cent of UK imports of clothing and textiles from low-cost sources are subject to various forms of restraint, largely under the Multifibre Arrangement (MFA) between the EEC and 27 supplying countries.

The Government had carried

## Heseltine urges urban rescue

BY ROBIN PAULEY

THE REGENERATION of derelict land in urban areas presented the greatest opportunity in Britain for creating employment and wealth, Mr. Michael Heseltine, Environment Secretary, said yesterday.

He told an Institute of Municipal Engineers seminar that greater emphasis had to be placed on reclaiming such land, particularly in the inner cities, to attract people and jobs and to stop encroachment on the countryside, which was losing 30,000 acres a year to urban development.

To replace urban regeneration the Government was proposing important new regulations in the Local Government Planning and Land Bill, which received its second reading in the Commons on Tuesday.

"I want to make it possible for the private sector and nationalised industries to bring forward schemes for reclamation of land in their ownership without having to dispose of it to the local authority."

"It is nonsense that local authorities should have to go

through the expensive and time-consuming process of acquiring land in order to reclaim it," Mr. Heseltine said.

Another new proposal was the creation of registers of unused sites to enable the Government to bring pressure on public sector bodies to dispose of vacant land.

The two greatest concentrations of derelict land in Britain were probably the London and Merseyside docklands where new urban development corporations, which will have wide-ranging powers, could exploit the massive opportunities for regeneration.

The bill includes provision for grants towards the cost of surveys and investigation of derelict sites, whether or not an approved scheme or reclamation is eventually carried out. It also provides for grants towards the cost of providing infrastructure to a derelict site.

The new powers would be used within the existing financial allocation of £23.5m this year, a figure which Mr. Heseltine hopes will be at least maintained next year.

## Spotlight on public buying

BY MAURICE SAMUELSON

A DETAILED study of examples of public purchasing is to be carried out jointly by the Treasury and the Department of Industry.

News of the joint initiative was given to yesterday's monthly meeting of the National Economic Development Council by Sir Keith Joseph, Industry Secretary. Sir Geoffrey Howe, the Chancellor, presided.

Sir Keith said the Government recognised that the effectiveness of purchasing by different departments varied. For example, the Ministry of Defence had a good record, while that of the Post Office was "improving."

The meeting was attended by leaders of trade unions, employers' organisations and nationalised industries.

According to Mr. Geoffrey Chander, director-general of the Council, Sir Geoffrey Howe gave a clear pledge that the Government's policy was to facilitate the Council's making a strong impact on the economy.

On behalf of the Confederation of British Industry, Sir John Methven, its director-general, agreed to a proposal by Sir Len Murray, TUC general secretary, that both bodies should liaise with their counterparts in Europe in monitoring unfair trade practices.

many of the measures of constraint further since coming to office. Fourteen new quotas on textile products had been imposed, safeguard action had been taken against imports from Turkey and new agreements on textile trade had been reached with China, Malta, Cyprus and Mauritius.

In addition, the UK was pressing within the EEC for protective action against certain U.S. man-made fibre exports.

Mr. Nott did not speculate on the future of the MFA, which expires at the end of 1981, but noted: "The Government fully accepts the industry's need for continued protection against low-cost imports, and we shall be pressing within the EEC to ensure that effective action is taken."

Restraints now in place extend well beyond textiles, the paper said. On steel, the EEC had negotiated quota arrangements in 1978 and 1979 with significant suppliers, and there were a range of formal and informal restrictions on footwear imports from Taiwan, South Korea and Eastern bloc countries.

Similar arrangements affected imports of consumer electronics from Eastern bloc and Far Eastern countries, and cars were among products covered on Government and industry level agreements to restrain imports from Japan.

On anti-dumping, Mr. Nott said that the European Commission had responded to a request from the British Government to simplify and speed procedures.

Apart from emergency measures relating to the steel industry, there were 16 anti-dumping duties and 27 price undertakings currently in force, affecting 28 products. The EEC had 18 cases under investigation at the moment, many of which were of interest to the UK.

One problem affecting anti-dumping safeguards concerned trade between EEC countries, where there was no concept of dumping in the single community market. The Commission did have power to prevent unfair practices under EEC rules of competition and government aids, but difficulties remained.

The CWS has retained the MSL recruitment consultancy to find suitable candidates for the Manchester-based job and will use "executive search" methods as well as advertising for applications.

The new chief will head an

organisation of 30,000 people which claims to be, among other things, the UK's biggest farmer and business underwriter. It is the main supplier to 11,000 shops and runs about 120 factories.

Jobs, Page 12

## Afghan invasion 'like Berlin crisis' Threats to Rhodesian voters worry MPs

BY IVOR OWEN

BY PHILIP RAWSTORNE

RUSSIA'S INVASION of Afghanistan has created a crisis comparable to that caused by the blockade of Berlin in 1948, Lord Carrington, the Foreign Secretary, declared in the Lords last night.

He warned that Russian probing in South West and South East Asia, and in Africa, was in "deadly earnest" and underlined the need to develop a new concept for stabilising East-West relations.

"That must be a main objective of ourselves and our partners in this dangerous world," he said.

Peers on all sides joined in condemning the Russian aggression against Afghanistan and two former Foreign Secretaries, Lord Home and Lord Stewart of Fallow, were among those who called on the Government to find more money for rearmament.

Lord Carrington urged Iran to be on guard against Communist subversion from within and stressed that while the military occupation of Afghanistan might have been completed in a matter of days, the political

preparation had begun a very long time ago.

"The threat is external but the weakness it feeds upon may be internal," he said.

"Subversion is a slower acting poison than invasion but it can be no less fatal, and it is a speciality of Communist cooking."

The Foreign Secretary highlighted the need to persevere with efforts to find a more effective means of enabling the West to reach a reliable understanding with the Soviet Union.

He suggested that the difficulties over détente stemmed from the fact that the West operated one set of rules while the Russians operated another.

"According to them, it is quite compatible with the idea of détente that they should push their luck wherever the opportunity presents itself, except where the lines between East and West are clearly drawn."

In comparing the crisis created by the Russian invasion of Afghanistan to that which resulted from the blockade of Berlin more than 30 years ago, Lord Carrington called for a similarly determined and resolute response.

He said: "It is in the interests of the countries closely affected as well as the rest of the world that this probing should be contained and that a positive understanding should be built thereafter."

"This is going to be a long process, and it is too early to envisage how it might come out."

While the immediate aim must be to limit, contain and if possible repair the damage which the Soviet invasion had caused it was essential that he kept in view.

The Foreign Secretary also looked for the development of a system of détente free from the illusions of the past and which could provide a firm framework for the management of the difficulties which would inevitably occur in the future.



Lord Carrington

## NEB's smaller role angers Labour

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A FIRM reaffirmation of the Labour Party's belief in public control, ownership and intervention in industry was made in the Commons last night by Mr. John Silkin, the Opposition Industry spokesman.

He was attacking the Government's Industry Bill which radically weakens the powers of the National Enterprise Board. In effect, the amendment moved by Mr. Silkin during the report stage was aimed at destroying the main purpose of the legislation.

It was an attempt to kill off the clause which states that the NEB should no longer have the mandate to extend public ownership and to promote industrial reorganisation and democracy.

The clause which the Opposition was trying to throw out gives a general instruction to the NEB and the Scottish and Welsh development agencies to dispose of assets which they held.

Mr. Silkin argued that the Government's industrial policy demonstrated the gulf between the philosophies of the two major parties. Over the last nine months the philosophy laid down by Sir Keith Joseph, the Industry Secretary, had shown how it could wreck the country's economy.

"One should recognise that the way forward is only by the public intervening, the public owning, the public controlling," said Mr. Silkin. "We are not ashamed that this is our policy. We believe it to be right."

Mr. Silkin said the misery of mass unemployment was being created by deliberate Government policy. Sir Keith, he said,

liked to wear a hair shirt. "But I see no reason why he should force the whole country to do so."

This economic philosophy was being put into effect at a time when manufacturing industry in Britain was in a worse position than ever before. Imports of manufactured goods was overtaking our exports.

Where the Government or the NEB had stepped in it had been to rescue industries which were engaged in exports. The Government would not stimulate full employment if the NEB role was restricted. The taxpayer—the whole community—had a right to participate in profitable transactions as well as casualty clearing transactions.

"We don't believe you can stimulate British industry by disposing of public assets," Mr. Silkin went on. "Equally, one cannot stimulate industry without the ability to assist or promote reorganisation in the private sector."

Government could not leave it to private industry to reorganise itself because sometimes it would do so for reasons totally opposed to the national interest. The purpose should be to engage industry for the national good.

Mr. Silkin complained that the Government was throwing out the NEB's obligation to promote industrial democracy. He was astonished that Sir Keith should seek to outlaw any mention of industrial democracy in the Bill.

He recalled that Sir Keith had claimed that non-intervention in day-to-day management would lead to a climate in which industry could prosper.

## Alan Forrest reports on the Broadcasting Bill

## 'Commercial BBC2' style for fourth channel

THE GOVERNMENT sees the fourth television channel as a "commercial BBC2," it became clear yesterday when the text of the Broadcasting Bill was published. But it will not be known as ITV2.

Mr. William Whitelaw, Home Secretary, said the new channel should be different in character from the first ITV channel. It should give greater scope for minority interests and for producing companies outside the national networks. It should bear the same relation to ITV1 "as BBC2 does to BBC1."

The target year for Channel Four to start operation is 1982. The Government hopes to get the Bill through Parliament by July.

The Bill extends the life of the IBA to 15 years, until December 31, 1996—the period recommended by the Annan Committee.

The Bill says a substantial proportion of programmes on the new channel must be provided by other than ITV

contractors. Provision is made for the Independent Broadcasting Authority to set up a subsidiary to provide and vet Channel Four programmes.

It will be responsible for obtaining and assembling material, employing staff and entering into contracts.

Apart from programme standards, the IBA must ensure that the channel contains "programmes appealing to tastes and interests not generally catered for by the present ITV channel." Some must be educational and generally the new network must have a distinctive character of its own.

## Finance

In Wales, a substantial proportion of programmes must be in Welsh—20 hours a week in the preliminary target—and in the rest of Britain the fourth channel will, at least initially, be a national service, the Bill says.

It also lays down that the IBA shall include in its annual report information about the way Channel Four has differed

ALL BALLOT papers in the Rhodesian elections will be returned to Britain to ensure that the secrecy of the vote is preserved.

This was announced in the Commons yesterday by Sir Ian Gilmour, Lord Privy Seal, as MPs voiced concern about the intimidation of voters and the prospect of renewed violence after the elections.

Mr. Peter Shore, Labour's foreign affairs spokesman, urged the Government to reinforce the Commonwealth military observers in the country.

"Another 800-900 could make a substantial difference," he said.

And Mr. David Steel, Liberal leader, asked for assurances that the monitoring force would remain in Rhodesia until the new Government had been installed.

Sir Ian replied that reinforcements would be sought if Lord Soames, the Governor requested them. "But he has not done so."

No date had yet been fixed for the withdrawal of the Commonwealth force, he said.

Sir Ian told MPs that violent incidents continued to cause deep concern.

He deplored the previous day's attacks on the home of Mr. Robert Mugabe and of one of his party officials.

But Sir Ian said that the great majority of incidents investigated by the Ceasefire Commission had been caused by Mr. Mugabe's ZANLA forces, several thousand of whom remained outside the assembly areas.

Action had also been taken to discipline elements of the

(internal parties) auxiliaries for breaches of agreements, he said.

Mr. Joshua Nkomo's forces had "co-operated very well" in observing the cease-fire.

"The principal threat to fair elections comes from large-scale intimidation of the rural population," Sir Ian added.

"In certain parts of the country it has been made impossible for even Mr. Nkomo or Bishop Muzorewa to hold meetings."

"People have been told that if they do not vote according to the wishes of a party, the war will continue or they will be killed."

The Governor had taken powers to impose limited penalties on any party or its candidates failing to honour undertakings. "It is vital that people should be able to make up their own minds about their political future without fear of such consequences," he declared.

An important and positive development had been the introduction of joint patrols by Patriotic Front forces and the police in the vicinity of assembly areas, Sir Ian said.

More had been achieved than many had dared hope, he told MPs. And against that background, the Government regretted the "one-sided and absurdly selective" tone of the UN Security Council's debate on Rhodesia.

"Such polemics can only increase tension and make the settlement more difficult," Sir Ian asserted.

The deputy Foreign Secretary angrily rejected Labour accusations of bias against Lord Soames.

But he agreed with Mr. Shore that any decision to disqualify any political party from the election would be "an act of the utmost gravity."

The use of such powers would be undesirable, Sir Ian said. But it would be far less undesirable than the systematic intimidation going on at the moment.

Mr. Alex Eynon (Lab., York) said the fact that the whole of the UN Security Council took a different view from Britain of events in Rhodesia did create doubts about the Governor's impartiality.

Marshall law should be ended, those imprisoned under it released and the auxiliaries confined to their barracks, he said.

Sir Ian retorted that such moves would be impractical. It was "sheer rubbish" to claim that 14 members of the Security Council were united against Britain, he said. Votes in the UN could not always be taken at face value, he said.

Lord Carrington, Foreign Secretary, said it was ironic that the Government should be lectured by countries in the UN "who would not know a free and fair election if they saw it."

Lord Carrington said he did not accept that Lord Soames and his staff had been biased. "Those who complain about there not being a free and fair election are complaining about an election they are not certain they are going to win, and that is not the same thing."

He declined to comment on suggestions that Commonwealth observers might declare the elections invalid if terrorism increased during the next three weeks.

Mr. Eynon said the CEGB was at present keeping its options wide open between the AGR and the PWR. Although a study in 1976 had estimated AGR capital costs to be about 15 per cent higher than those for the PWR, it was too early to judge whether this gap would widen or narrow.

The cost of any modifications necessary to make the PWR acceptable in Britain could not be quantified yet.

Asked why the CEGB intended to license a PWR from Westinghouse, the U.S. power group, rather than using any rival systems, such as that developed in West Germany by Kraftwerk Union, Mr. England said that after an extensive study the board had concluded that there was little to choose on technical grounds between the various vendors.

Reasons tipping the balance in favour of Westinghouse included its experience in the transfer of technology and its wealth of technical back-up.

## Study of fiscal policies

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT'S monetary and fiscal policies are to be examined by a new Committee of Enquiry into the Treasury and the Budget, which will look at detailed information on expenditure.

The committee will also, though, press the Treasury before the publication of both the white paper and before Budget day for much more detailed information on expenditure.

The committee has also set up a sub-committee, chaired by Mr. Robert Sheldon (Lab., Ashton-under-Lyne), which will look at taxation, the Civil Service and other matters of public expenditure.

Mr. Sheldon said that the sub-committee would examine the relationship between the Treasury and the Civil Service Department, and between the CSD and other Whitehall departments.

The committee will examine, particularly the forthcoming white paper on public expenditure and the Budget. Mr. Du Cann said he thought the committee would be in very frequent session over the two papers had been published.

Another section of the Bill concerns local radio. It points out that there are 19 independent stations at present. Contracts for a further nine stations in locations approved by Mr. Mervyn Rees, when he was Home Secretary in the Labour Government have been signed but the stations are not yet in operation.

Mr. Whitelaw approved an additional 14 local radio stations last November.

## Levy

New provisions for local radio provide for rental payments to be made to the IBA by local radio contractors against the authority's costs in supervising and expanding the system and introducing a levy on their profits payable to the Exchequer.

The rate of the levy is set at 40 per cent, but there is provision for this (like the 68.7 per cent levy on ITV contractors' profits) to be varied by order.

The Bill makes provision for the IBA to make grants to local

radio contractors. This will enable the authority to assist the expansion of independent local radio, particularly in the less populous areas, or to improve the quality of the service.

Richard Evans, Lobby Editor, writes: The Labour Party will vote against the second reading of the Broadcasting Bill because of opposition to the proposed organisation of the fourth channel.

Mr. Mervyn Rees, shadow Home Secretary, and his colleagues believe that the Government's proposals for putting the new channel under the general supervision of the IBA and run by a subsidiary, is wrong. They would prefer a separate organisation to be set up.

If the Government's proposals are accepted by Parliament as seems certain, the Opposition will press for the membership of the subsidiary to be more independent of the IBA and the commercial television companies.

Editorial comment, Page 20



## Robinson sacking contravened BL code, union finds

BY ALAN PIKE, LABOUR CORRESPONDENT

A MEETING in March last year at which Mr. Derek Robinson, the BL Longbridge convenor, was severely criticised by the management did not constitute a disciplinary hearing, the Amalgamated Union of Engineering Workers executive inquiry into Mr. Robinson's dismissal decided yesterday.

As a result, the committee of inquiry, Mr. Robinson should not have been dismissed in November on the grounds that he had received a previous warning about his conduct in March. On this basis, the committee recommends that the AUEW should pursue his reinstatement.

Mr. Robinson was dismissed after he signed a booklet attacking the BL recovery plan, which was accepted in a work-force ballot.

The report says that the March incident arose from a dispute over the company's failure to implement nationally agreed minimum time rates. The trade union side of the Leyland Cars joint negotiating committee held a meeting on February 5 and recommended that senior shop stewards should consult their members on giving five days' strike notice throughout BL Cars.

Mr. Robinson reported back to the Longbridge shop stewards and they voted in favour of strike action on February 7. The management considered the position so serious that they asked Mr. Robinson and Mr. Jack Adams, Transport and General Workers' Union convenor at Longbridge, to meet senior executives. The management was unsuccessful in its attempts to have the decision changed and the strike started on February 7, before the five days' notice had elapsed. It lasted until February 15.

On March 12, Mr. Robinson and Mr. Adams were again asked to meet management representatives. It is this meeting which, says BL management, constituted the previous warning to Mr. Robinson.

**Heated**  
The report says that there are opposing views about whether or not it was a disciplinary hearing. "We take the view that management had D. Robinson and J. Adams in on March 12, 1979, to complain about the dispute, to complain about the part they played in bringing it about, to criticise D. Robinson severely for his part in it and to lay down the law generally that procedure must be adhered to in future and to get an assurance that this will be the intention that this would be reported back to the works committee and through that committee to the general body of the shop stewards. There is no

doubt in our minds that the meeting became very heated at times. D. Robinson has a dominating and forceful attitude about him and Mr. J. Gilroy (Austin-Morris manufacturing director) also strikes us as being a determined and dominating character."

But, says the report, if the management intended the meeting to be a disciplinary hearing that had "down in the face of all reality." Mr. Robinson had been an employee for 38 years; he was AUEW convenor, chairman of the Longbridge joint shop stewards' committee, chairman of the confederation works committee, a member of the joint negotiating committee and alternating chairman of the Leyland Cars Council.

**Unreal**  
"Given all that, it is absolutely unreal to us that management would have been anything less than precise and meticulous in their approach to imposing some form of discipline on him, and here we must note the meticulous and thorough way they carried out the disciplinary action on November 19, 1978 (when Mr. Robinson was dismissed)."

"We do not believe, therefore, that it was a disciplinary hearing. However, assuming that it was, even in some informal sense, regarded by management as a disciplinary hearing we would consider it extremely unfair. They have not acted even in the loosest way within the spirit of their own Code of Discipline."

"They did not advise D. Robinson that he was to be disciplined, thus denying him the right to have his full-time officer present and further denying him the right of any appeal. They did not record the warning in writing to him nor did they advise his full-time officer."

While recommending that the union pursue Mr. Robinson's claim for reinstatement, the report is also critical of his performance as AUEW convenor at Longbridge. He should, says the report, have made it perfectly clear to shop stewards and the Longbridge workforce that they should have abided by the decision to give five days' strike notice in February rather than taking premature action.

On the later incident, which led to his dismissal, the report says that Mr. Robinson had no right to put his name to the booklet attacking the BL recovery plan without prior approval of his district committee and the executive. Similarly, he had no right to call for disruptive action without approval and "he certainly has no right whatsoever to call for disruptive action in other districts."

## MPs bid to control Civil Service pay

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT and the Civil Service unions were asked yesterday to consider changing the pay settlement date for 600,000 white-collar civil servants to give Parliament greater control over the level of Civil Service pay increases.

Though any change in the settlement date, and more particularly in the process of comparing Civil Service jobs with those outside which leads up to it, will not take place before this year's date of April 1, the proposal seems certain to anger militant Civil Service trade unionists.

The first report of the new Commons select committee on the Treasury and the Civil Service accepted the Government's proposal for this year's Civil Service pay increase to provide a global cash limit figure rather than a series of departmental amounts.

The proposal also involves not setting the cash limit until the final results of the Pay Research Unit's comparability exercise are known later this month.

The view that this is to some extent a conciliatory attempt by the Government to avoid a repeat of last year's damaging industrial action by Civil Service unions was confirmed yesterday by a committee member, Mr. Michael English, Labour MP for Nottingham West.

"The process suggested enables the Government to retreat from any crunch over pay if it wishes," he said.

The report, though, stated that the Government's decision was not adequate for the future. Full information should be published at the time the global estimate is submitted, probably next month, giving the assumptions on pay and staff levels on which it has been calculated.

The committee also called for more openness in pay negotiations for the Service, including the publication of more detailed reports of the Pay Research Unit's comparisons, and statements about the progress of each stage of negotiations.

Mr. English particularly criticised Sir John Herbecq, second permanent secretary at the Civil Service Department, for his insistence on the secrecy of the negotiations.

Union officials reacted sharply to the suggestions that pay negotiations should be made more open, though the committee has consulted some privately and won their agreement. The staff side of the Whitley Council is to give evidence to the committee later this month.

The committee said that the Government's proposal raised a major principle of financial accountability. It gave the Treasury and the Civil Service Department too much scope for adjusting the cash limits once the size of the pay increase had been determined.

It would now open discussion with all the parties involved on altering the pay date and the timetable of the Parliamentary estimates in order to avoid that difficulty.

Union leaders yesterday pressed Mr. Paul Channon, Civil Service Minister, on how the Government intended to reconcile its principle of cash limits with the findings of the Pay Research Unit's reports, which are showing increases for the lower clerical grades of 18-20 per cent.

Mr. Channon said he would report the unions' warnings about likely difficulties in pay picket today if the 500 Sheerness workers did not join the strike. He said members who defied the strike call could lose possibly their union card.

A group of about 20 wives staged a protest yesterday in support of their husbands remaining at work and urged the pickets from Scunthorpe and Sheffield to go home. Union officials said the counter pickets was a "publicity stunt."

DAY SHIFT workers at Sheerness Steel Kent, voted overwhelmingly yesterday not to join the private sector sympathy strike called for by their union.

Local Iron and Steel Trades' Confederation officials had earlier been told that unless the Sheerness members came out they could not count on help from the union in any future dispute with their employers.

Sheerness Steel managers and union officials at the plant were both keeping a low profile yesterday. Both sides refused to comment on the strike call and a later shift was meeting last night to decide its attitude to the strike. About 13 pickets from Scunthorpe and Sheffield have been picketing the plant for the past week with mixed effects.

Mr. Les Bambury, ISTC's London organiser, warned last night that there would be a mass picket today if the 500 Sheerness workers did not join the strike. He said members who defied the strike call could lose possibly their union card.

A group of about 20 wives staged a protest yesterday in support of their husbands remaining at work and urged the pickets from Scunthorpe and Sheffield to go home. Union officials said the counter pickets was a "publicity stunt."

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## Strike call defied at Sheerness

By Gareth Griffiths, Labour Staff

DAY SHIFT workers at Sheerness Steel Kent, voted overwhelmingly yesterday not to join the private sector sympathy strike called for by their union.

Local Iron and Steel Trades' Confederation officials had earlier been told that unless the Sheerness members came out they could not count on help from the union in any future dispute with their employers.

Sheerness Steel managers and union officials at the plant were both keeping a low profile yesterday. Both sides refused to comment on the strike call and a later shift was meeting last night to decide its attitude to the strike. About 13 pickets from Scunthorpe and Sheffield have been picketing the plant for the past week with mixed effects.

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## Thatcher urged to retain job scheme

BY RHYD DAVID, TEXTILES CORRESPONDENT

THE NATIONAL Union of Hosiery and Knitwear Workers is urging the Government to retain the temporary short-time working scheme due to run out after March 31.

The appeal, in a letter to the Prime Minister, follows similar calls from the Lancashire-based cotton and Yorkshire woolen industries and points to a loss of more than 2,500 jobs in knitwear in the second half of 1979. A further 1,000 redundancies are planned by two companies this year.

Mr. Harold Gibson, general president of the union, in his letter to Mrs. Thatcher, says the scheme has been valuable in enabling the clothing and textile industry to maintain its labour force during the present recession.

"Unless we maintain the labour force we will find ourselves in extreme difficulty in meeting production requirements when an upturn in the economy comes. This would have a disastrous effect, encouraging imports at a high cost in foreign currency and exacerbating the current employment position."

A similar case for the Yorkshire wool textile industry has been made by a joint action committee representing employers, unions and local authorities. Some 7,000 jobs in wool textiles were lost last year

as a result of weak demand and increased import penetration. According to the National Union of Dyers and Bleachers, a further 7,000 are believed to be covered by the short-time working scheme.

Mr. Bill Maddocks, general secretary of the NUDB, said yesterday the Government must support Britain's basic industries such as wool textiles, which was suffering from widespread unfair competition. Job losses in the industry were at least as great as in the steel industry at Shotton, but because they were spread throughout the West Yorkshire conurbation considerably less attention had been paid to them.

The Lancashire case for an extension of the scheme has been put to Mr. James Prior, Employment Secretary, and to Mr. Cecil Parkinson and Lord Trenchard at the Trade and Industry Departments. Both have recently visited mills in the area.

Mr. Bob Lloyd-Jones, director-general of the British Textile Employers' Association, warned yesterday that roughly 15,000 jobs in Lancashire could be threatened by withdrawal of the scheme and the association claims losses on this scale would deprive the industry of qualified employees needed to cater for any upturn in demand. A year's extension to the scheme is being requested.

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## Race bias claimant wins right to inspect files

FILES ON 78 job-applicants in the Civil Service must be opened for inspection by an unsuccessful candidate who is alleging race discrimination against the Civil Service Commission, a judge directed yesterday.

Mr. Kukulledge Perera, 39, told the Employment Appeal Tribunal that he needed to see information about his rivals for

a Civil Service post to help him present his case.

Mr. Justice Slynn, the tribunal president, said Mr. Perera, of Montrose Avenue, Edgware, Middlesex, could see information on the education and professional qualifications of the 78 candidates selected for final interview by a Civil Service board in 1977, but their names or anything from which they could be identified should be blanked out.

The court also directed that Mr. Perera, a qualified barrister who came to Britain from Sri Lanka, should be able to see the place of birth and nationality of final interview candidates.

Mr. Perera, a Customs and Excise executive officer, was turned down at first selection stage with more than 240 other applicants when he sought a Government legal assistant's post.

The tribunal agreed with an industrial tribunal chairman that an original request by Mr. Perera for disclosure of documents relating to some 1,600 applicants for the post during three years was "oppressive."

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DATA PROCESSING

### Eases the task of designing

STRUCTURAL analysis software which allows any civil engineering project to be described in plain language has been written by the Belgian Institute of Management, under the name of STRAT.

This term covers a pre- and post-processor suite which works interactively with an appropriate computer so that an engineer with relatively little data processing experience can immediately generate the topology of a structure, with its precise geometrical definition, in a most concise manner, modifying it as the design procedure progresses.

This structure can be added or connected to existing sub-structures and the whole shown

on a display so that the progress of the work can be monitored at any time.

Finite element analysis forms part of the STRAT facilities and it is complementary to such routines as NASTRAN, STRUDL, etc. Developers claim, however, that it provides much more effective calculation of the characteristics of the models it can be used to establish.

A corollary is that the package facilitates the work of the quantity surveyor and simplifies the search for a maximum economy solution for any structure.

Belgian Institute of Management, Avenue Louise 150, 1050 Brussels, Belgium.

## INSTRUMENTS

### Testing the lines

A NUMBER of portable data communications tests sets have been put on the market by Nilton Communications, Fieldings Road, Chesham, Herts. EN8 9TL (Waltham Cross 33555).

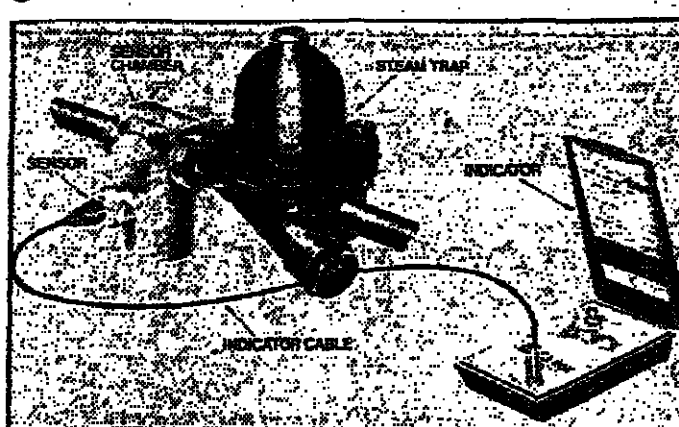
Among the intended applications are on-site or production line checking of data modems and transmission lines by either technical or non-technical staff. The units are fully compatible with V24/RS232C protocol.

Top of the range model is the DTS-102 which can analyse the performance of modems, diagnose equipment failures, measure turnaround time etc. on both synchronous and asynchronous systems. There are seven selectable test patterns which can be generated at data rates up to 19,200 bits/sec.

By inserting controlled errors the instrument can quickly confirm the accuracy of complete networks or equipment. There is also a time division multiplex option and a voice frequency monitor.

The company has also introduced Dataset 25, a pocket sized unit in three versions.

## ENERGY SAVING



### Shows escape of steam

ACCORDING TO Spirax Sarco of Cheltenham, a single continuously leaking half-inch steam trap, of any make or type, can waste energy to the tune of £1,000 per annum.

The company claims that until now there has been no really reliable method of knowing if a trap is passing steam, which has prompted it to offer the Spirax unit, a small enclosure with a weir, transducer and cable coupling to a hand-held indicator box. The enclosure is inserted in the line on the inlet side of the trap.

Normally, the levels on each

side of the weir are the same and the transducer probe on the inlet side remains covered. But if the trap is passing steam, the volume of it on the inlet side pushes water down until the probe is exposed, causing an indicator lamp in the hand-held unit to change from green to red.

Checking of, say, 100 traps takes only as long as plugging and unplugging into the various sensor enclosures.

More from the company at Charlton House, Cheltenham, Glos. GL 53 8ER (0242 21361).

## PACKAGING

### Better than gumming

DOUBLE-SIDED or adhesive transfer tape can be applied to selected areas of paper, card or plastics using an application machine from 3M known as the T-645 Strip 'n' Spot.

Applications range from packaging to self-sealing forms of the kind used in hospitals and insurance companies. It is also claimed to be ideal for making ready-to-mount posters and for applying closure tabs on small cartons.

The company claims that for the first time, tape systems can be used directly on a competitive basis against ordinary gluing or gumming — and without finishing having to apply additional charges.

Electrically and pneumatically operated, the machine can employ up to six heads for taping (there are two with the basic unit) and each can apply strips or spots of tape up to an inch wide.

Tape is applied at up to 70 ft/min allowing production rates of up to 2,000 pieces per hour to be achieved. Controls are simple and the tape can be quickly changed.

More from 3M United Kingdom, P.O. Box 1, Bracknell, Berks. RG12 1JU (0344 58499).

### Reduces the shock

DELICATE OR fragile components, objects d'art or even robust equipment can all be securely packaged in a form-moulding "cushion" by the use of a system called Fixpack from a subsidiary of a West German Chemical group (BASF) in the UK, Elastogran, Unit 69, Faircharm Industrial Estate, Evelyn Drive, Leicester (0533 823225).

Required amount of the two-component material is dispensed from a self-cleaning gun into the carton where the foam forms a tight fit around the article, cushioning it against the effects of vibration and shock during transport.

Elasticity, compression hardness, structure and density are adjustable by varying the components, and can be individually balanced to suit the delicacy, shape, size and weight of the products to be packed.

## IN THE OFFICE

### Easier for the typist

A KIND of half-way stage between the electric typewriter and full-scale word processing is marked by the launch of IBM models 50 and 60 at £1,250.

These are electronic machines that look like the familiar electric typewriter but are able to store and remember to provide a high level of convenience and efficiency to the typist.

The ordinary electric typewriter having diffused down the secretarial hierarchy within most companies, IBM now believes models 50/60 will initially be used by senior secretaries and will also eventually become the norm for all.

Heart of these machines are integrated circuit chips which can remember a typed line (models 50 and 60) or a piece of text up to 736 characters long (model 60) for insertion wherever desired in future work. The 736 characters can be stored as 10 separate phrases selectable at will. The machines can also do simple calculations that the typist would otherwise have to perform when working out copy costings, column spacing in tabulated work and similar problems.

For example, in tabulated copy it is only necessary to find the longest word or number in each column, type them in the "no print" mode and the machine will then space the columns evenly. Several sets of such tabs can be stored and recalled.

Of great value is the automatic correction facility. A character, several characters or a complete line can be erased:

the carriage automatically goes back (using the line memory) and re-types the characters using a sticky ribbon which pulls the original characters off the paper.

Model 60 has automatic carriage return. Once a measure for the work has been set the typist works continuously, the machine returning the carriage as necessary; she does not have to pause at line ends because a buffer memory holds 15 characters and allows the machine to start the new line as required.

For very high quality work the model 50 offers proportional spacing, the text having the appearance of a printed book page.

Other facilities include automatic indenting and underlining, choice of 10 or 12 pitch, interchangeable type faces (18 altogether) and pull-out instruction cards at the base of the machine.

Optionally, both machines can be switched to support a second language with a change of golf ball head.

Dimensions are 165 x 600 x 447 mm, the weight 22.7 kg. Apart from moving to the machines with a magnetic tape loop which offer more storage, the 50/60 is the most sophisticated electronic typewriter the company now offers. Beyond that the choice is of the various word processing systems with magnetic cards and/or disc storage.

More from Office Products Division, 28 The Quadrant, Richmond, Surrey.

GEORGE CHARLISH

### New printing calculators

THREE NEW printing calculators for general office, retail and accounting use include one model that operates either off mains or by four 1.4V dry batteries — useful feature for the travelling accountant, sales executive or administrator. JE-1801 has selection of 0, 2 or 3 decimal places; an automatic item counter; two-way rounding; a 6-key input buffer store and 2-key rollover; and a double zero key.

JE-2520 has 12-digit capacity; selection of 0, 2, 3 or 4 decimal places; an automatic double item counter; 3-way rounding; and 8-key input buffer and 2-key rollover. The largest machine (2804) has, additionally, double or treble zero key, up to 6 decimal places, two-colour printing, register exchange key and automatic comma insertion.

Design points shared are dual hard copy/display, addressable memory; percent key; non-add and sub-total functions; and automatic constant.

All these Panasonic machines take standard width paper rolls, and are available from office equipment dealers.

Teletronics, 9 Connaught Street, London W2 2AY. Tel: 01-262 3124.

## HEATING

### Burns logs efficiently

CONVECT-O-HEATER is a fan-assisted energy-recovery unit built up from hollow tubing which forms the grate bars and arches over the back of a fireplace so that the flames from the logs or other fuel play around it.

Cold air from the room is drawn in by a small electric fan and fed through the tubing to a manifold or distributor box above the fire. At the air exit point, the temperature is at least six times ambient, the designers say.

Attractive in the design is its simplicity and the low

running cost for the fan of 0.08 pence per hour, since the fan motor takes only 25 watts.

Installation presents no problem and no tools are needed. It can be adjusted to fit almost any fireplace and is being built in widths of 16, 18, 24 and 32 inches.

For the time being only small models to burn logs are available, but solid fuel appliances are in the pipeline. The unit recovers much of the heat otherwise lost by the chimney.

Pettit, 5a New Road, Croyley Green, Rickmansworth, Herts. ST 77842.

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## PRINTING

### £1m litho plate plant

A NEW production line costing over £1m has been opened by SD Graphics (a BICC company) at its plant in Sutton, Lancashire.

Need for the plant has arisen, states the company, because of a growing requirement for aluminium litho plates in the newspaper and commercial printing industries.

Products to be made will be the company's Wipe-on, Lithjet, PA positive and Lithjet NA negative plates.

The new line covers the complete manufacturing process: two tonnes coils of aluminium are fed in at one end and packs of finished plates ready to be sent direct to customers are produced at the other.

Largely automatic, the processes in the line include brush grinding, anodisation, application of light-sensitive coatings, washing and cutting to size in a programmable guillotine. The web of aluminium, about a yard wide, moves at 20 ft/min and at the output end about 2,000 plates per hour can be cut to an accuracy of about 1/32 inch. More from SD Graphics, 121, Westminster Bridge Road, London SE1 7HR (01-928 7711).

## OIL WELLS

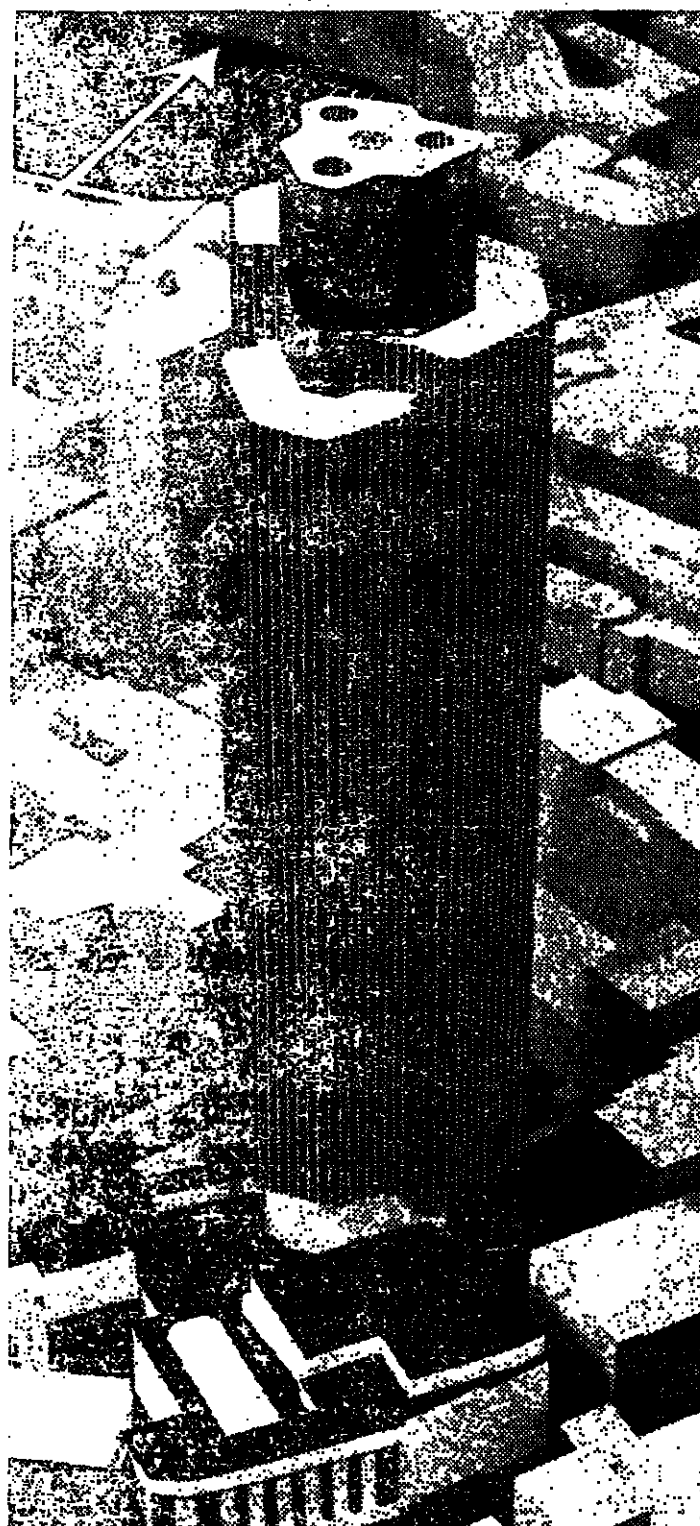
### Record of operations

DESIGNED TO withstand the adverse conditions on drilling rigs and production platforms is a well log copier from Exploration Reprographics, 18-18a Regent Quay, Aberdeen AB1 2AH (0224 572537).

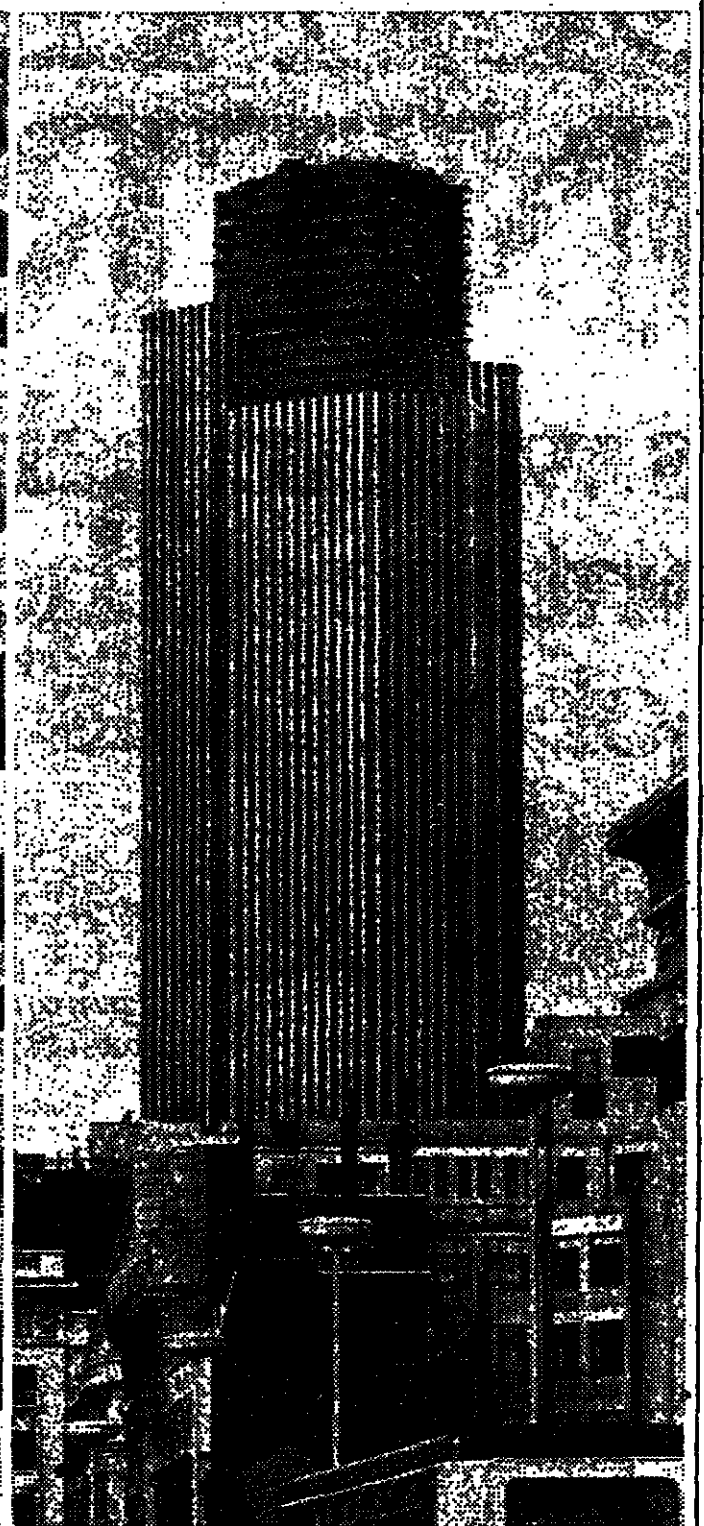
The instrument is used for copying oil well logs containing graphs of electronic readings which provide geologists, both offshore and onshore, with details of well operation on long 10 in wide chartstrips. The log is copied on to prefolded diazo light sensitive paper at speeds continuously variable from one to 30 ft/min.

The well logger can be used in arctic or desert conditions: switchable booster heaters are provided to supplement the ammonia developer supply pre-heater in temperatures below 65 deg F (18 deg C). A heavy duty welded frame, and the provision of shock absorber mountings, enable the well logger to be operated under vibration and shock conditions.

The device measures 19 in wide x 13.75 in deep x 12.5 in high and weighs only 83 lb.



Wind loading and environmental studies were carried out on the model (left) before the National Westminster Tower\* was erected.



## Bring us your big ideas and we'll scale down the risks

Freak gusts can pluck glass windows from highrise buildings and send them lancing into the streets below. Winds in a shopping precinct may develop enough force to blow people off their feet. You need to foresee how structures will behave before they're built. You need the certainty that only a model and simulated natural conditions can achieve.

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For specific literature, please write to: James Dawson, Commercial Manager, National Maritime Institute, Dept. of Industry (FTBI), Feltham, Middlesex TW14 0LQ.



Tested ideas make working ideas

\*As shown by R. Gifford & Partners, Consulting Engineers, 201 Fincham Road, Farnham.



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Other streams will deal with various viewdata/teletext applications, electronic publishing, private viewdata systems and teletextware.

A special discount is available on all registrations received with fees by 29th February, 1980.

### The Prestel Show

This will be a highlight of Viewdata 80. Co-ordinated by the Post Office, it will include sessions for special interest groups, together with presentations intended for the general public.

### The Exhibition

On display will be a complete spectrum of equipment and services by the major manufacturers of TV sets and terminals. Also represented will be the PTT administrations, information suppliers and consultants.

For full conference and registration details contact Online Conferences Ltd., Arny House, Northwood Hills, Middlesex, England HA6 1TS.

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## THE MARKETING SCENE

## MANAGING THE '80s

## Bold pulpитеers and costly clairvoyance

BY WINSTON FLETCHER

"THE FUTURE is the most expensive luxury in the world," quipped Thornton Wilder. Having each contributed £200 to attend Campaign magazine's non-resident clairvoyant conference on How We Will Manage The 80s last week, most of the 300 delegates would unhesitatingly concur.

In these hyper-uncertain times only exceptionally brave — not to say foolhardy — soothsayers dare to decipher the murky images in their crystal balls. The wisest seers at the pow-wow did not take the risk. Instead they promulgated their personal perspectives of the current marketing and advertising scene and allowed the audience to draw its own conclusions.

Some of the pulpитеers, however, boldly rushed in: only to see their prophecies cruelly demolished. In this respect the unhappy session — which had clearly been intended to be one of the most controversial — was Peter Kraushar's day-two opener. Manufacturer's views of Advertising and Agencies now and in the 80s.

Mr. Kraushar, chairman of Kraushar Andrews and Eassie and an experienced researcher and specialist in new product development, had been briefed by the conference organisers to carry out a postal survey on the subject of his talk. The budget for the project would seem to have been pennypinching since the sample was unrepresentative of some 75 per cent of the advertising market.

Moreover, Mr. Kraushar did himself, and therefore his audience, a disservice by summarising the results so compactly that the conclusions dissolved into rapid generalisations. Fortunately the full tabulations, distributed after Mr. Kraushar had stood down from the platform, analysed the data in revealing detail. It is more than a little surprising, for example, to discover that 76 per cent of consumer goods advertisers with media budgets exceeding £500,000 a year apparently require no advertising agency involvement in their financial assessment of their marketing plans; 80 per cent of them call for no agency involvement in their pricing policies; and 38 per cent do not even want the agency to get involved in their consumer promotions.

There is a great deal more in the written report that was not directly disclosed to the audience, which reacted by savaging Mr. Kraushar's presentation in an unkindly fashion. David Lee, D'Arcy-MacManus and Masius's caustic chairman, described the research as a useless waste of time, and when conference compeer Richard Baker called for a show of hands, only six of the 200 or so panjandrums present voted the survey in any way useful or worthwhile.

Another speaker intrepidly willing to put his head on the block was Robin Wight, founder-partner of London's scalding new hotshop, Wight Collins Rutherford Scott. Taking as his theme Another Ten Years of Mediocrity? Mr. Wight unabashedly treated the audience to a new business pitch for WCRS — a strategy which may have misfired slightly: although some 47 per cent of the registered delegates were clients, my own estimate is that only 50 per cent of those in the auditorium during Mr. Wight's harangue were, like me, his competitors.

His argument, which he illustrated with confidential IPA figures, claims that advertising agencies generally spend too high a percentage of their salary bill on account management people, too small a percentage on creative people. For clients

this is, he apologised, analogous to enjoying wonderful service at the Ritz but being served only baked beans on toast.

In the traditional agency, Mr. Wight claims, a bevy of client contact people surround and emasculate the ideas generators. "See the creative people like Mr. Wight himself. On the other hand, at WCRS, the agency of the future, the idea generators themselves meet clients and, doubtless, cheerfully surround and emasculate the client contact executives. (Three of the four WCRS partners are creative people.)

While this back-to-front agency structure is by no means as radical as Mr. Wight appears to believe — it was enthusiastically espoused in the 1960s by the Lipps, Newton advertising agency, now defunct — the success of WCRS suggests the approach has struck a resonant chord with many advertisers. Unhappily, it struck less of a resonant chord with the conference delegates, many of whom joined the irrepressible David Lee, once again, in taking strong exception to the narrow and belittling view of client contact executives which Mr. Wight's thesis embodies.

To be fair, Mr. Lee's own offering, a meaty conference opener entitled Agencies in the 80s, had previously won notably less than reverential awe from Robin Wight. Despite his title, Mr. Lee cautiously avoided making outrageously daring prognostications.

Nevertheless, though his neurology was unadventurous, Mr. Lee made some powerful points about the current state of the industry: there is too much cheap, inadequate research being carried out, his feelings about which, as we have seen, he later made painfully clear to Mr. Kraushar; there is too little profound marketing (as opposed to skittish creative effort) and analysis being undertaken, above all, there is a lack of realistic pricing by manufacturers who are thus naively and unwittingly committing commercial harikari.

Mr. Wight's reaction to all this was to castigate Mr. Lee's agency for being elephantine and, rather more relevantly, to argue that many of today's problems had been brought upon the advertising industry by its own historic inadequacies. Looking backwards in self-recrimination was not, however, the supposed theme of the proceedings.

Nor, indeed, was looking backwards in self-congratulation. Nonetheless the organisers had invited Peter Marsh (ebullient chairman of Allen, Brady and Marsh) and Martin Boase (imperturbably urbane chairman of Boase, Masim, Pollitt) to indulge themselves in an orgy of nostalgic vainglory.

It was their joint task to educate those present on what makes a successful agency. However, if there were any eager young agency aspirants in the audience — and doubtless due to the weighty conference fee there were not many such — hoping to discover the Holy Grail of agency success, they were in for a sad disappointment.

It was jolly, knockabout stuff. The session on Channel 4, was knockabout too, but hardly jolly. The Secretary of State for Home Affairs, Mr. William Whitelaw, knocked the audience about unpleasantly, immutably deaf to their virtually unanimous disapproval of the Government's avowedly preferred structure for the new channel.

Indeed, this was the single session in which the delegates realistically came face-to-face with the future; and in response to the conference question: How will we manage the 80s? Mr. Whitelaw provided the answer: powerlessly. Despite its

vaunted faith in free competition, despite its emblazoned belief in non-intervention, when the french fries are down, it seems that this Government, like all governments, is unchallengeably convinced that it knows best what the public wants.

Which in the matter of television broadcasting means no more competition, "no ratings war," as Mr. Whitelaw hectoringly declaimed again and again to the audience. Well, if that's the way it is going to be, it is not clear that anybody at all wants, still less needs, the extra channel. There was never any evidence that the public wants it; now that it is to be commercial the so-called independent producers do not much care for it; and in its present form the advertisers are vociferously against it.

The way it now looks, the fourth channel will not merely be, like so many futurological conferences, an expensive luxury; it will be sheer profligacy.

Winston Fletcher is managing director of Fletcher Shelton Delaney.

## Renault hoists budget to £4m

FORECASTING its "toughest sales year yet," Renault UK is hoisting its advertising budget to a record £4m with new campaigns for the Renault 5, 14, 13 and 20 ranges from its new agency, McCormick International-Farner, writes Michael Thompson-Noel.

Renault was the second most successful importer last year, selling 96,000 cars—a figure it hopes to raise to 125,000 in 1980. However, forecasts for total UK new car registrations envisage a fall from last year's record of more than 1.7m to between 1.4m and 1.5m.

The £1.6m Renault 18 "Seductress" campaign has already made its bow. A further £700,000 will be spent on the Renault 14 range in posters and national Press. It is being advertised as the Renault Space Car.

According to Renault's UK manager of advertising and sales promotion, "Renault is entering its toughest sales year yet with the heaviest, most complete national and local advertising programme we have ever mounted."

THE ADVERTISING Association has written to Mr. John Nott, the Secretary of State for Trade, saying it is against further restrictions on tobacco advertising, thought to be worth around £35m a year.

The Department of Health and Social Security is at present discussing with the tobacco companies proposals for a new agreement covering tobacco advertising and promotion in Britain. One option is to press for a progressive reduction in the amount of advertising.

Mr. Angus Ross, the AA's chairman, says he hopes a decision is taken on the basis of factual evidence, not ill-informed opinion, however sincerely held. "We believe that restrictions upon a manufacturer of a legal product to issue information about that product is both unwarranted and contrary to this Government's stated commitment to freedom of commercial competition and consumer choice," he said.

PAN BOOKS has made its first-ever agency appointment. Dorland Advertising is to handle a 1980 campaign reportedly worth almost £1m.

GREY ADVERTISING has won the £1m European launch of a new range of Pioneer hi-fi products, to add to Pioneer's £800,000 UK account. It had to pitch against other Pioneer agencies from Germany, France and Belgium, as well as Lonsdales of Britain, which formerly handled the Japanese manufacturer's European advertising.

## AGENCY TRACK RECORD

## Stability no illusion

BY MICHAEL THOMPSON-NOEL

THE RELATIVE stability of the advertising agency scene is one of its more surprising, and endearing, characteristics. Despite all the potential for change produced by the 1970s — the traumatic recession of 1974, the move to sterner legislative controls, the mushrooming of EEC directives, the emergence of trade unionism as a force to be reckoned with, and the abandonment of recognition agreements — the advertising business finished the decade in very much the same shape that it entered it.

As David Wheeler, director of the Institute of Practitioners in Advertising, observes in the current issue of Admap, this stability and consistency shows up most noticeably in the annual billings lists compiled by Campaign magazine.

Eight of the top 10 agencies in 1979 were happily established in the top 10 list in 1970. Their names and rank order may have changed, but that is all. (The two newcomers, heedless to say, were Saatchi and Saatchi Garland-Compton, which is now top of the list, and Allen Brady and Marsh, which is tenth).

But there have been some changes. For a start, there are

many more agencies now than there were in 1969: 537, according to the IPA's agency census, against 636. Many of them are tiny, a fact indicated by the knowledge that of the total of 537, only 310 are IPA members. The turnover of IPA agencies in 1978 was £1,385m, out of a total advertising spend of £1,834m.

According to Mr. Wheeler: "One of the areas of greatest change which may be witnessed during the 1980s could be the extent to which agencies are dependent upon media commission as their primary source of income." Over the 70s as a whole, not much happened in this regard: in 1978, IPA agencies derived 70 per cent of income from media commission, against 69 per cent in 1968, though it is still too early to say precisely what happened in 1979 itself.

Employment In terms of pre-tax profits, IPA agencies outside London showed a return of 11 per cent on income in 1978, against 13.7 per cent for agencies based in London. This will have been reversed in 1979 because of the ITV strike. Whereas an aver-

age 50 per cent of a London agency's media spending is accounted for by television, the figure for out-of-town agencies is only 10.

For most agencies, says Mr. Wheeler, the events of greatest concern in the past 10 years were the recession of 1974 and the agencies' first experience of trade unionism. "The marks of these two events are still to be seen when one studies agency employment statistics. Despite the addition of 32 more IPA agencies, the total number of people employed in all IPA agencies fell from 17,204 in 1969 to 15,272 today, reaching a low in 1974 of 14,389."

The current total of 15,272 includes 3,435 executives, 638 copywriters, 2,026 artists, 1,315 media specialists, and 2,037 secretarial workers. The growth in numbers and influence of the out-of-town agencies is shown by the fact that while London agencies cut their staff by 2,674 between 1969 and 1979, out-of-London agencies increased theirs by 742. News of J. Walter Thompson's excursion into Manchester, says Mr. Wheeler, is indicative of the business potential north of Watford — JWP is negotiating to buy the £10m-billing Yeoward Taylor and Bonner.

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Applicants should either be financial PR executives seeking greater scope and opportunity, financial journalists, stockbrokers, merchant bankers, or working in other City disciplines.

The posts available range from junior executive to associate director levels and offer very competitive salaries, good prospects and excellent working conditions.

Applicants should write with full c.v. to Jim Miller, Streets Financial Ltd., 18 Red Lion Court, London EC4A 3HT.

Streets Financial



## JOBS COLUMN, APPOINTMENTS

## Chief executive to suit large undertaking

BY MICHAEL DIXON

WHAT BOTH farms more food and buries more people than any other organisation in the UK, is Europe's largest general wholesaler, freezes lamb in New Zealand, grows tea in India, and resides in Manchester?

The answer is the Cooperative Wholesale Society whose 35-member board, representing the 200 Retail Societies which own the CWS, reveals this morning that it seeks a new chief executive to follow Sir Arthur Sugden when he retires later this year.

It may well be that the board, under chairman Peter Paxton, feels improperly belittled by my opening description. After all, there are 11,000 shops to which the CWS is the main supplier, and 120 factories making, among other things, bottles some of which are used in retailing a third of the UK's milk. And there are nine hotels and two holiday camps and... but I'm sure that the board will appreciate that the line must be drawn somewhere.

There is, however, another of the conglomerate's achievements which I suspect is not known to its directors.

It made the suit in which the Jobs Column was married. The last creation of its tailor before he was dragged to the yellow van, the garment was probably the only example of the "card-board-look".

Its singular appearance cheered up a lot of

people in the two weeks or so before it and all associated photographs were somehow burned in a small fire which broke out in the back yard. But the suit is not forgotten after two dozen years, and will never be forgiven.

In case the new chief executive should wish to check up on that achievement, the organisation chart suggests he should inquire through the director of the CWS's non-food division, who is one of five top managers in immediate support. There are directors also of the food division, of retailing and services, and of finance and computing, as well as the deputy chief executive Dennis Landau. Other employees number about 30,000.

Since there can hardly be any other organisation whose demands on its chief are quite like those of the £1.7bn-turnover CWS, David Ravenscroft—the Manchester-based MSL consultant who is dealing with the job—is looking broadly for people who are successful in the top management of some big and many splendoured business group. The preferred age range is 40 to 55.

Applications outlining relevant experience can be sent to Mr. Ravenscroft at 474 Royal Exchange, Manchester M2 7EL. His telephone number is 061-832 9424.

Oh—I almost forgot—the salary is £50,000-plus with

"matching" benefits. One of these is a Daimler-Jaguar car, but the others are undisclosed. Even so, I would imagine that for a really outstanding candidate the Board might be willing to waive any obligation to wear CWS-tailored suits.

## No smoking

"CANDIDATES must not smoke," declared recruitment consultant Alex Hakim.

Being unable to write two sentences without a pull on a cigarette, I felt affronted. "Not at all—not even when they are on their own?" I asked. "No," he said.

My hackles rose. Certainly the wiser, weed-free fraternity have a right to clear air in public spaces. But going beyond this to harry the unfortunate addicts even in the privacy of their own dens, smacked of unwarrantable prodigality. "Why not?" I demanded.

Mr. Hakim chuckled. "So as the better to enjoy drinking wine," I presumed. He replied:

He added that, for the same reason, his unnamed client would not consider applicants with ailments which ruled out the moderate drinking of wine. But those who habitually drank more than moderately were also unsuitable.

By this time, the conversation was becoming a bit too enigmatic to bear. So I inquired

whether the job in question hadn't any special characteristics—something that this column's readers might savour, so to speak? It had.

For one thing, the post is based in Austria. For another, it is with a private, wine-producing concern with an annual turnover of more than £12m, of which about £1.6m is in exports. With a view to increasing sales abroad, the company is now seeking an international export sales manager.

Responsible to the company's chief executive, the recruit will need a record of success in the international selling of consumer goods. If these happen to have been drinkable, then that will be a great advantage. In fact, Alex Hakim would prefer candidates to have knowledge of and contacts in the drinks markets of as many different countries as possible. In addition, applicants must be proficient in German, and preferably speak some French and Spanish as well.

The last, linguistic condition alone would (if a recent survey done by the P-E Consulting Group for the Royal Society of Arts, is true generally) rule out of consideration 38 per cent of export directors, 43 per cent of export sales managers, 58 per cent of export salesmen, and 70 per cent of total export staff employed in United Kingdom companies.

But Mr. Hakim was not discouraged by that information. His search was not confined to candidates from the linguistically-lazy UK, he said. He would welcome suitable applicants from any country, provided they were no older than about 40, and ready to earn a Board seat within three years. Rewards are open to negotiation, but the salary indicator is £12,500 to £17,500—income tax for married persons in Austria is 27 per cent, I'm told, and reasonable accommodation can be rented for £140 a month. Perks include car.

Inquiries to Alexandre Hakim, at A & A Consultants, Princes House, Suite 407, 39 Jermyn Street, London SW1Y 6DT; telephone 01-734 9035, telex 26116. Applicants who so request will not be identified to the employer until permission is given. The same guarantee applies below.

## New bank

NEXT on the line came Peter Wilson of Management Appointments, talking about an unnamed client of his who is in the middle of setting up a bank in the UK. I gather that although the client has not set up a bank here before, he has done so successfully in other countries and thus knows precisely what he is doing. In case any reader is minded to try the same, the trick is apparently to

do it slowly and carefully.

The particular job which Mr. Wilson wants to fill with the forthcoming bank will carry responsibility for devising the systems for financial control and reporting, and for administration. Based in London, the recruit will report to the director-designate in charge of internal management.

Once the systems are devised, the newcomer will be involved in recruiting staff to make them work.

The sort of person thought most suitable is a qualified accountant, probably chartered, aged about 25 to 30. Either while working in an accountancy practice or as a full-time occupation since qualifying, however, candidates must have been closely concerned with banking. And Peter Wilson would prefer this experience to have been in the field of international banking, rather than limited largely to the UK. Familiarity with business dealings with the Middle East would be an advantage.

Starting salary will be about £12,000 to £14,000. Perks will include a mortgage-subsidy and a non-contributory pension. Mr. Wilson can be telephoned with inquiries at 01-498 4579. Those wishing to write a description of their relevant qualifications should send it to him, at 1 Albemarle Street, London, W1.

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Our client, a branch of a major international bank, will shortly appoint a Financial Controller, male or female, who will take full responsibility for the branch's accounting function. The responsibilities of the position will include—

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A strong knowledge of Data Processing will be essential, although the Financial Controller will not be directly responsible for the D.P. function. The ideal candidate will be a Chartered Accountant, who will have gained his or her experience within a bank employing about 400 people. This is a challenging appointment and requires the accounting expertise necessary to adapt existing systems; it will provide an opportunity for progression in due course into more general management fields. A competitive salary will be paid to the successful candidate, which will include some attractive fringe benefits.

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Please telephone 021-622 3838 for an application form at any time or send full personal and career details to Adrian S. Moore, F.C.A., Director, Overton Management Selection, Monaco House, Bristol Street, Birmingham B15 7AS, quoting reference J/1305FT.

Applications are welcomed from men and women.

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## Financial Controller

Construction Industry

S.W. London c.£11,000

A major UK contracting company within the Construction Industry, requires a qualified Accountant in its head office management team based in SW London.

This is a new appointment and the person appointed will be required to make an immediate impact on the financial management at all levels. Tasks will include budgetary control, cash flow monitoring, financial reporting, and general involvement in commercial decision taking. The control of contract and site administration through subordinates and service departments will be included in the function.

Experience of the construction industry would be an advantage but it is not essential. Salary will be negotiable around £11,000 p.a. and benefits include a company car. Career development prospects within a highly diversified group are excellent.

Please write with details of age and experience to Position Number AMF 7630, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

## Marketing Systems Manager

c. £10,000

A large British consumer goods Company, with very substantial U.K. and export sales, requires a Marketing Systems Manager to be based in its Central London Headquarters.

The Marketing Systems Manager will work in close co-operation with senior marketing, sales, financial and production executives and will be responsible for providing practical, 'actionable' information to support and develop the Company's extensive world-wide marketing activities.

The successful candidate is likely to be in the age group, 25-35, and to have had a number of years' experience in a marketing orientated consumer goods company, possibly as a senior market research or operational research executive.

The ideal candidate will have been involved in—

- the commissioning, control and interpretation of consumer and retailer market research studies, both continuous and ad hoc in nature,
- the use of market research, sales and production data for budgeting and forecasting,
- the use and operation of data processing systems for analysis and forecasting purposes.

The successful applicant will apply these skills to the solution of complex marketing problems but it is vital that, in discussion and in print, he or she should be able to present information, ideas and recommendations clearly, and in practical terms, to colleagues and the Company's outside business associates.

The salary for this extremely interesting appointment, which has considerable career potential, is negotiable around £10,000 p.a. and the accompanying fringe benefits are highly attractive.

Applications in writing are invited, in the strictest confidence, to L. H. Owens, Hughes Owens & Hewitt Ltd., Executive Recruitment Consultants, 6-8 Old Bond Street, London, W1, quoting Ref. No. MS191. No information will be disclosed to our client without the applicant's prior permission.

**HOH**  
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London W.1.

c.£10,000 + Car

Our client is a firm of Chartered Surveyors with an enviable reputation. It wishes to appoint an energetic and well experienced accountant/secretary to head up its administration functions.

With the assistance of a small team the manager will be responsible for controlling and regularly reporting on the accounting functions, personnel, insurance and establishment administration. In addition you will provide financial advice and guidance to the partnership, and through regular

participation in policy meetings you will play an active part in the firm's development.

The position will ideally suit candidates aged 30-50 (male/female) who enjoy working in a professional environment and who have relevant experience including a knowledge of employment legislation. The salary is negotiable and other benefits include pension scheme, BUPA and a company car.

Please telephone Mary Jeffery on 01-734 2603 quoting reference 123 or write to:—

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We are seeking a commercially aware, qualified Accountant (ACA, ACMA, ACCA), male or female, 30/40, having broadly based experience in a manufacturing company, preferably at Controller or Chief Accountant level, now wishing to develop through financial control to the Board.

Reporting to the Managing Director, and supervising a staff of 27 including two qualified Accountants, you will be responsible for the effective management of the accounting function, the timely production of management accounts to group, utilising computer-based systems and the production of periodic business forecasts, annual budgets, etc., monitoring the implementation of management decisions and policies. In addition, you will be expected to participate fully in the general management of the Company.

Our client, Gola Sports Limited, is a subsidiary of a major UK public Group and employs 500 people in the manufacture of a well respected range of specialist sportswear. The Company is the UK's largest exporter in this field. In addition to the basic salary negotiable as indicated, the generous remuneration package includes a profit-based bonus. Relocation assistance is available. Please write briefly or telephone for an application form, quoting Reference 660F.

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Young Graduate ACA

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This challenge can only be met by an ambitious accountant, capable of assuming significant responsibilities. The current job-holder achieved an early directorship and is now transferring to North America as a Vice President. His replacement should have similar potential.

City based, this position heads the finance function of a diverse division, part of a British group trading worldwide. In addition to co-ordinating management information and forecasts for member companies, the division advises the group on acquisition studies and capital investments, giving the opportunity to contribute at main board level.

Candidates, graduate ACAs, aged 26-29, must be able to demonstrate outstanding progress in their career to date. Two years' post-qualification experience is required, gained outside the profession or with a major firm including non-audit activities. A confident mature personality with strong communication skills is a prerequisite.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Alan Crompton, quoting reference 874/FT on both envelope and letter.

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## Financial Appointments

London

A major international company in the City is to make the following appointments to complete the process of strengthening its central financial team. The company itself has more than 40 wholly-owned subsidiaries throughout the world and a turnover of some £300m. These appointments are an important part of the Group's development plans and therefore offer outstanding opportunities for career progression and personal development.

**Financial Accounting Manager** c. £11,000 Ref: 6478  
Responsible to the head of financial accounting for supervising the preparation of the Group's statutory accounts, taxation planning and cash management. A Chartered Accountant aged 25-40 is required, with at least 4 years' post-qualification experience including the preparation of accounts in a multi-national business.

**Systems & Procedures Manager** c. £11,000 Ref: 6479  
Responsible to the head of management accounting for the development and implementation of accounting and planning systems and procedures, including preparation of the Group's Finance Manual. Candidates must be qualified accountants or business graduates aged 25-40 with experience either in a substantial commercial or financial organisation or in management consultancy.

**Financial Analyst** c. £9,000 Ref: 6477  
Responsible to the head of management accounting for reviewing and evaluating the performance of a sub-group of companies, including the preparation of monthly operating reports, annual profit budgets and corporate plans. This should suit a graduate and qualified accountant under 30 with experience of computer-based management information systems gained in a major multi-national business.

All the appointments are open to men and women. A comprehensive and competitive remuneration package will accompany each appointment, including a company car where appropriate. Applications to Brian Lupton quoting appropriate reference number.

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## Pension Administration Manager

Starting salary negotiable up to £12,500 p.a.

An experienced pensions executive is required by the Airways Pension Scheme to take over the management of the day-to-day administration of the Scheme, at Kershaw House, Lampton Road, Hounslow.

There are about 52,000 members in the Scheme, which has a total value of over £700m, and the post calls for the close observance of Trust Deeds and Rules and requirements of statutory authorities.

Reporting to the General Manager, the successful man or woman will be responsible for 50 full-time staff, formulating department policy, keeping abreast of new legislation, and maintaining the accurate administration of a complex, computerised function. Some travel within the United Kingdom will be necessary from time to time.

This challenging senior management position offers a good deal of independence and therefore calls for a mature decision-maker, aged over 35, who is able to motivate people and cope with pressure. Candidates must already have senior experience in a major pension scheme and will preferably hold PMI membership.

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As well as identifying major investment opportunities, the successful applicant will have responsibility for communicating with European clients and attending meetings with them.

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## International Finance Recruitment Specialist

Merrill Lynch, a world leader in the field of diversified financial services, has created an opening for a Recruitment Specialist on its international personnel team. Although London-based, this position will entail world-wide as well as City professional recruitment responsibilities and some international travel will be required. University recruitment and periodic financial training assignments will round out this role.

The successful candidate will be a dynamic graduate whose 3-5 years professional personnel experience has centred on banking or related financial services — perhaps has included completion of an international bank training programme — and who clearly has a career interest in international finance.

To find out more about this position, please send a brief résumé of your qualifications and experience, in strictest confidence, to: Roger J. Davis, Vice President, Merrill Lynch International & Co., 3-5 Newgate Street, London EC1A 7DA.



**Merrill Lynch**

## Financial Controller

We are anxious to identify a first-class young accountant with 2-3 years practical experience as a chief or deputy financial controller.

Aged between 28 and 33, and with a professional accountancy qualification, the ideal candidate should be familiar with computerised accounting systems, particularly as they relate to the cash control requirements of the parent company in the United States. Knowledge of a European language — German/French/Dutch — would be an advantage, as would some legal background, but these are not essential qualifications.

A salary of £13-15,000 is offered which, together with generous fringe benefits, represents an exciting opportunity for someone with the necessary energy and ability. It is anticipated that the division will experience significant growth and the opportunities for advancement within the UK, or abroad, are excellent.

Please reply with full career details in strictest confidence to:-

Box FT.603  
St James's Advertising & Publishing Co. Ltd.,  
Hanway House, Clark's Place, London EC2N 4BJ.

## Fund Manager— Fixed Interest

The Manufacturers Life Insurance Company of Canada is one of the world's leading life insurance companies with assets in excess of \$1,800 million. A Fund Manager is required to work in London at our International Investment Office which manages some £200 million on a world wide basis. The position will involve assisting in the management of both U.K. and international fixed interest portfolios.

Candidates should have several years experience in fixed interest investment. A competitive salary and fringe benefits will be offered in line with experience and ability.

Please write to or telephone:

J. B. Mounsey, Financial Vice-President,  
ManuLife International Investment Office,  
Broad Street House, 55 Old Broad Street,  
London EC2 2DZ. 01-638-6611.

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ACTIVE IN INTERNATIONAL MARKETS  
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**AUTHORISED CLERK**

with a minimum of two years' house experience. The appointment will carry a competitive remuneration and there is a non-contributory pension and life assurance scheme. Please write giving age and full details of experience to:

Box A.7038, Financial Times, 10 Cannon Street, EC4P 4BY

## LENDING OFFICERS

MAJOR INTERNATIONAL BANK

Middle East

c. \$45,000 + tax free

Our Client is one of the most substantial and successful banking institutions in the Middle East with significant plans for expansion and further development. To meet this programme of expansion, current requirements call for a number of experienced international lending officers with a proven record of success in marketing, credit and lending.

Ideal candidates, probably in their 30's, will possess a formal credit training together with at least five years practical lending experience with a major international bank. Personal qualities of maturity, flexibility and drive will enable the appointed executives to respond with much success to these challenging opportunities.

The positions are offered on the basis of a 3 year contract which will lead to a full-time career with the bank. The overall remuneration package will be extremely attractive and includes a generous salary plus free luxury accommodation, together with car and numerous other benefits.

Contact Norman Philpot in confidence  
on 01-248 3512

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60 Cheapside, London EC2. Telephone: 01-248 3512, 3435

GENERAL PETROLEUM AND MINERAL ORGANISATION

## PETROMIN RIYADH SAUDI ARABIA

We invite applications for the following posts:

### 1. LEGAL ANALYST

To review and analyse project proposals/feasibility studies in accordance with management policies and decisions. The candidate will also be required to participate in project negotiations and development with specific relation to the preparation of legal documents. This post requires a legal degree plus extensive experience in the application of mercantile law and negotiations of industrial investment agreements.

### 2. FINANCIAL ANALYST

To prepare critical review and economic analysis of the industrial investment proposals, plus financial presentation of the proposed investment projects from the basic data. This is a very demanding and challenging post that requires a calm personality and ability to deal with top management. This post requires post-graduate qualifications in industrial economics or financial management with at least 5 years in financial research, investment control or in a senior position of an investment organisation or a finance house.

### 3. TECHNICAL EVALUATOR

To present reviews and analysis of the feasibility studies from a technical and process point of view. The candidate should be able to participate in discussions at executive level related to the project development and prepare necessary reports and advise on the technical issues involved, for management scrutiny. The candidate will also be expected to advise and be involved in discussions of process, manpower, utilities, product balances/specifications, etc. This post requires a good education in industrial technology and extensive knowledge and experience in hydrocarbon industry processes and organisation.

Salaries commensurate with qualifications and experience.

Interested candidates should send C.V. particulars to:

**'PETRONAL' 129/130 Park Lane,**  
London W.1  
by 20th February 1980

For the attention of the Managing Director

Interviews held in London within three weeks from the application closing date

## INTERNATIONAL BANK OPERATIONS

A prominent international bank, concentrating its resources on Latin and South America, seeks to strengthen its team in one or two departments that are viewed as critically important to its continued growth.

**EXPENSES CONTROL AND ANALYSIS** c. £7,000  
A new post with responsibility for the development of an analysis and control function in respect of the costs and expenses of overseas operations, including subsidiary companies.

**MANAGEMENT REPORTING** c. £5,500  
To help prepare and interpret management information both on the bank's general operations and on a variety of ad hoc and special situations.

**EUROCURRENCY LOANS ADMINISTRATION (2)** £5,000 - £6,000  
These positions (one more senior than the other) are concerned with the lead management and control of a growing loans portfolio.

**INTEREST ACCRUALS** c. £5,500  
An absolutely vital aspect of the bank's accounting, demanding a high degree of responsibility together with the capacity to train others on a wholly manual system.

**PERSONNEL** c. £6,500  
This job will embrace a stimulating and expanding range of personnel management and planning elements. To young bankers with specific experience, coupled with genuine ability and ambition, all of the above represent first-class career opportunities within a bank that is firmly committed to a very positive development programme.

Please telephone either Ann Costello or John Chiverton, A.I.E.

**JOHN CHIVERTON ASSOCIATES LTD.**

31, SOUTHAMPTON ROW,  
LONDON, W.C.1.  
01-242-5841

## Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession



### ECONOMIST

c. £8,500  
A City-based merchant bank seeks an Economist to join its U.K. Investment Department. The ideal applicant will be aged between 24-26, with a good relevant degree and three years' experience probably with a City financial institution. He/she will be required to assist Fund Managers and Directors with economic analysis and forecasting. Some understanding of the U.K. equity market would be useful.

Please contact RICHARD MEREDITH

### EUROBOND TRADER/SALESMAN (PARIS)

equiv. £10-15,000 neg. + bonus  
A major consortium bank seeks a young person, probably aged 24-29 to join its expanding International Bond department based at the Head Office in Paris. A sound Eurobond background with at least three years' bond dealing experience is essential.

It is envisaged that the successful applicant will work closely with the Chief Dealer developing and maintaining good contacts with the major institutions. Knowledge of French would, of course, be preferable but is not essential as language tuition can be given.

This is an exciting opportunity for a young banker to work in Paris and gain wider experience within an active and rewarding environment. A highly competitive index linked salary and contractual bonus are offered and generous relocation assistance will be given. Please contact ROY WEBB

First Floor—entrance New Street  
170 Bishopsgate London EC2M 4LX 01-623 1266



## Managing Director

### Engineering £25,000

- For a well-established independent company, with a turnover currently around £12m which includes a strong export element. Their profit record and reputation are excellent.
- This appointment is vital to the company's future, with specific responsibility for ensuring continuing development and growth through the adoption of modern management techniques.
- Essential requirements for those who wish to be considered for this significant position, offering exceptional prospects, will be: a proven record of success in manufacturing management, some experience of sales and the personality and strength of character necessary to operate effectively at executive level.  
Age — ideally 35-45.
- Location — West Midlands. Relocation expenses will be met where relevant.
- Remuneration — is for discussion in the region of £25,000, together with the benefits usually associated with a position at this level.

Please write in confidence giving concise personal and career details, under Ref. U858/FT to D. E. Sheppard who is advising the company on this appointment. This position is open to both male and female candidates.



Arthur Young Management Services  
Rolls House, 7 Rolls Buildings  
Fetter Lane, London EC4A 3NL

## Divisional Accountant

### £9,500 + Car

### Central London

Our large U.S. parent organisation sees its commitment to developing the Bellefonte Insurance Company's UK/European interests as a stimulating opportunity for business and career development.

Recent acquisitions will provide diversification into life business in addition to our general insurance and reinsurance lines underwritten in London and Paris.

This is the background to the formation of a department with a responsibility for the provision of professional accounting services across the UK and French sectors. The newly appointed Director of Finance requires assistance in meeting the demands of his multi-disciplined role and this has resulted in a requirement for an accountant to operate principally in the fields of consolidation and interpretation of accounts, management reports, taxation, analysis and ad hoc exercises. Our assessment of the position projects a requirement for an ACA or ACCA with three to four years post qualification experience gained principally in the insurance field.

In addition to salary and car, other benefits would include bonus scheme, non-contributory pension, free life assurance and free BUPA membership.

Please write or telephone for an application form to

Mr. P. F. Nerretter,  
Personnel Manager,

**bellefonte**  
INSURANCE COMPANY — UK BRANCH

90/92 Baxter Avenue,  
Southend-on-Sea, Essex SS2 6EX.  
Telephone: 0702 338433

Surrey

c. £10,000 + car

## GROUP MANAGEMENT ACCOUNTANT

The Company. A medium sized international engineering Group with subsidiaries in the U.K., Europe and North America. The Group employs 2,500 and turnover is £40m.

The Job. To assist in the preparation and interpretation of group management accounts. To provide assistance in identifying areas of growth opportunities and to play a major part in appraising the performance of operating companies with a view to improving profitability and D.P. based management information systems.

The Candidate. A qualified accountant with management accountancy experience in a group or line position. Prospects for promotion either at group H.Q. or into an operating subsidiary are good. Initial salary of around £10,000 plus car. Attractive fringe benefits and relocation costs.

Resumes including a daytime telephone number to E. J. Robins, Executive Selection Division, Ref. RF425.

**COOPERS & LYBRAND ASSOCIATES LTD.**

Management Consultants  
Shelley House, Noble Street, London, EC2V 7DQ.

## Company Secretary/Lawyer

South of France

c. FF240,000

An international group with diverse interests, including shipping and property, seeks a Company Secretary/Lawyer to be based in the South of France. In addition to the normal duties of a company secretary in a private group, he will be involved in a great variety of legal work associated with new investments. Applicants in their 30s, must have British or US professional legal qualifications. Experience of company secretarial work in a fast-growing organisation is required, together with a wide knowledge of commercial documentation. A knowledge

of French and Arabic would be an advantage. Salary will be negotiable around FF240,000.

Ref: PF317215/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

**PA Personnel Services**

Hyde Park House, Knightsbridge, London SW1X 7LE, England. Tel: 01-235 6660. Telex: 27874.



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## FINANCIAL CONTROLLER

DATABIT is the World's leading supplier of Time Division Multiplex for telex and asynchronous low speed data. Established in 1978 as a subsidiary of the U.S. Parent Company, DATABIT INC., we now seek to replace the Financial Controller who is returning to the United States.

The ideal candidate will be in his/her thirties, professionally qualified and with some years' experience in industry.

He/She will report to the Managing Director for all aspects of accounting and administration of the Company and should ideally have experience, in addition to cost and financial accounting, of treasury functions, handling foreign currency transactions, E.C.G.D., personnel and insurance.

Please apply in writing including full C.V. and present salary to:

The Managing Director, Databit Limited,  
30 Lyveden Road, Brackmills Industrial Estate,  
Northampton, NN14 0ED.

**Databit**

## UNIVERSITY COLLEGE OF BOTSWANA

Applications are invited for two LECTURERS (Accounting)

Candidates with an MSc in Accounting or Commerce or professional qualification in Accounting (e.g. ACA, ACCA) and 2 to 5 years experience in teaching accounting and related commercial subjects at University level may apply. Practical experience of two/three years in accounting and commerce in a developing country and good research background and recent publications are desirable. The appointees are expected to undertake direct teaching to subjects like Financial Accounting, Cost Accounting, Commerce and Taxation at degree level and assist in the planning, organisation and conducting of the evening programme leading to the Certificate in Accounting and Auditing (C.A.A.) and the Diploma in Accounting and Auditing (D.A.A.). Salary scale P552-9482 on 61 sterling = P1801. The British Government pay supplement salaries in range £2322-4572 as cost of living (reviewed annually and normally tax free) plus associated benefits. Family allowances, housing, baggage/education allowances: 30% (dependent on number of dependants 2 dependants) with curriculum vitae and salary slip to be sent direct to Registrar, P.O. Box 22, Gaborone, Botswana on 7 March 1980. Applicants resident in the UK should also send one copy to: University Council, 30/31 Tottenham Court Road, London W1P 0DT. Further details may be obtained from either address.

## Internal Auditor-Europe

London based

Age up to 30 c. £10,000 + car

A leading US Corporation with subsidiaries in France, Germany and the UK, seeks a young internal auditor with fluent French and practical German. The appointment is London based.

After induction training at the parent HQ in the United States, the successful candidate will travel extensively in Europe on internal audit assignments. In addition some acquisition work and special projects will be involved.

This appointment offers excellent opportunities for advancement to qualified, or part qualified accountants, aged 24 to 30, who demonstrate their promotion potential. The language qualifications are essential and previous experience of the audit of US subsidiaries in Europe would be advantageous.

Salary will be around £10,000 per annum and a car and the usual benefits are provided.

Candidates, male or female, should write in confidence for a personal history form quoting reference MCS/3820 to: Ken Johnson, Executive Selection Division, Southwark Towers, 82 London Bridge Street, London SE1 1SY.

**Price Waterhouse**  
Associates

## Institutional Salesman

Bristol

Stock Beech & Co is an expanding firm of Stockbrokers with offices in Bristol, Birmingham and London. Further development of the Research Department in Bristol has created an opportunity for an experienced Institutional Salesman or woman to join the existing team.

Applicants should have at least three years institutional sales or other relevant experience and preferably with a research background.

A competitive salary will be negotiated and there are excellent promotion prospects for the right person.

Please apply in writing to Malcolm Robson, Stock Beech & Co., The Bristol & West Building, Broad Quay, Bristol BS1 4DD.

**Stock Beech & Co**

Members of the Stock Exchange

## Finance Director

West Midlands

£12,000 plus Car

An expanding and progressive firm of steel stockholders requires a successor to the Finance Director who retires later this year. This is a stimulating challenge for professional accountants to take up their first directorship.

The person appointed will be responsible for all financial matters within the company, employing over 200, but more importantly he/she will be expected to make a positive contribution to current expansion plans, particularly in the quality of management information and support from the finance function.

Candidates will be qualified accountants, preferably a graduate aged 30-35 able to demonstrate practical experience in the implementation of computerised systems, management flair, and a creative and constructive approach to modern business. Experience in a distributive environment would be particularly relevant.

Starting salary will be negotiable and prospects for advancement within the parent group are outstanding.

Please write or telephone in confidence for an application form quoting MCS/803 to: Mike Okinski, Executive Selection Division, Livery House, 169, Edmund Street, (PO Box 120) Birmingham, B3 2JB. (Telephone 021 236 5011)

**Price Waterhouse**  
Associates

## GENEVA-BASED MULTINATIONAL

SEEKS

## OIL TRADER

to handle existing crude and product contracts, to develop new business. Attractive base salary and incentive plan consistent with industry standards.

Interested candidates apply to:

CIPHER H-118305 PUBLICITAS CH  
1211 GENEVA 3

## SENIOR FOREIGN EXCHANGE DEALER

A leading French bank requires an experienced Foreign Exchange Dealer to strengthen its present team in London.

Candidates should be aged 25/35 with five years' dealing experience.

Salary will be commensurate with the present market conditions.

Replies with brief details to:

Box A.7041, Financial Times  
10 Cannon Street, EC4P 4BY

## BANKING OPPORTUNITIES

### Credit Analyst

For established U.S. Bank.  
Minimum 3 years' analysis experience.

Age 24-28 c. £2,500

### Systems Analyst

For expanding European Bank.  
Experience of COBOL 74 or RPG 2.

Age 24-30 £7,500+

### Loans Admin.

To control small department.  
4 years' experience of Eurocurrency Loans.

Age 23-40 c. £9,000

### Personnel Assistant

For prime American Bank.  
Previous recruiting experience essential.

Age 24-28 c. £6,000

### Junior F/X Dealer

For newly-established International Bank.  
Minimum of 1 year's Dealing experience.

Age 20-22 c. £7,000

For more details of the above positions and the many more we are currently handling, please telephone, in the strictest confidence, Mark Stevens (General Manager).

**BANKING PERSONNEL**  
41/42 London Wall-London EC2 Telephone: 01-588 0781

(RECRUITMENT CONSULTANTS)

## Deputy Group Secretary

### N.W. London c. £10,000 + car

A leading public quoted company within the leisure and service industries wishes to appoint a Deputy Group Secretary.

Applicants should preferably be Chartered Secretaries (or equivalent) in their 30's with broad based company secretarial experience in a large group of companies. Experience of Stock Exchange regulations, acquisitions, office services, pensions and personnel management would be an advantage.

Initial salary is negotiable c. £10,000 plus car and comprehensive benefit package.

Please write in strictest confidence with full career details to  
Box A7040, Financial Times, 10 Cannon Street, EC4P 4BY

## R. P. MARTIN & CO. LIMITED

International Money Brokers

are looking for experienced Sterling Brokers to work in the Inter Bank and C.D. Markets.

Please apply in first instance in writing to:

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A Small Export Company based in

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require an energetic person acquainted with all aspects of the export business knowledge of Pharmaceuticals would be an advantage though not essential. This person must also be prepared to travel overseas on short visits to clientele. Salary negotiable. Reply together with curriculum vitae to:

Managing Director  
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Financial Times  
10 Cannon Street, EC4P 4BY



London

£16,000 + car  
& profit share

## GROUP FINANCIAL DIRECTOR

For a British group, well known in the advertising industry, with subsidiaries in London and the Provinces. During the last decade growth has been rapid, both organically and by acquisition, and billings are now at the level of £30m. Reporting to the Chairman and the Board, responsibility will be for finance, accounting and data processing functions throughout the Group. The person appointed would be expected to make a real contribution to commercial planning and decision making. Applications are invited from qualified accountants aged not less than 35. Experience at a senior level of the development of management information systems in a group of companies would be particularly helpful. Remuneration including a daytime telephone number to E. H. Simpson, Executive Selection Division, Ref. SF641.

**COOPERS & LYBRAND ASSOCIATES LTD.**  
Management Consultants,  
Shelley House, Noble Street, London, EC2V 7DQ.

## Young Graduate Business Analysis

C. London To £8500

Our client, a division of an international group, markets a range of high technology business equipment in French speaking North America. Due to expansion of the divisions business, there is a further requirement for a young, numerate, financially orientated graduate in the finance and planning function. You will be responsible for providing information and analysis on operations, short/long range planning and financial/management accounting data on the divisions business.

Ideally you should be a graduate aged 24/28 with 3/4 years related analytical experience in a multinational environment; you may also have commenced a professional qualification, the completion of which will be encouraged by the group. Ambition, adaptability and commercial awareness will be well rewarded from the groups policy of rapid internal promotion. Please telephone or write quoting Ref. RG/3134.

**Lloyd Chapman  
Associates**  
123, New Bond Street, London W1Y 0HR 01-499 7761

## Assistant Financial Controller

c. £13,000 + Granada

Young, large, successful and continually expanding, Northern Foods has increased its turnover from £40m to over £360m in the past ten years — and we plan still further growth. We manufacture dairy, meat and cereal-based products in the U.K. and have just acquired our first major business in the U.S.A. Based in East Yorkshire, the job involves the management of investment analysis, profit planning and control, Management audit and Group treasury. The ideal candidate, male or female, will be in the mid 30's, a graduate and a chartered accountant, have at least five years industrial experience, with 2/3 years at managerial level. Experience of

Financial planning and analysis, as well as exposure to extensive computer facilities, is essential. Career progress is limited only by the individual's ability — we expect a lot, but give a lot in return. The ability to influence others, to innovate and motivate are key attributes — technical skills and dedication are taken for granted. Please write or telephone for an application form to: Jim Vint, Group Personnel Manager, Northern Foods Limited, Beverley House, St. Stephen's Square, Hull HU1 3XG. Telephone: 0482 25432

**Northern Foods**

## CORPORATE FINANCE EXECUTIVE

The successful candidate will be aged 25/32 with a background in either Investment Banking or the Corporate Finance area of an International Bank. Strengths should lie in documentation i.e. preparation and finalisation of Loan Agreements on Syndicated Loans in the Eurodollar market. Some travel outside the U.K. is envisaged. Ideally this person will have a degree, perhaps an LL.B. but a proven record of success in this area may compensate for the lack of academic qualifications. Salary up to £15,000 p.a.

## LEASING EXECUTIVE

Required by well-established North American Bank. First-hand knowledge of the European market place with in-depth experience of Foreign Exchange and Withholding Tax. The ability to initiate and conclude a deal together with the energy and drive to do so are essential. The successful candidate will probably be a graduate and ideally aged mid-30's. Salary negotiable around £15,000 p.a.

These positions are open to both male and female applicants.

**BSB Banking Appointments**

115-117 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161  
Recruitment Consultants

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on February 5th 1980

Job Title	Salary	Location	Advertiser
High Flying Accountants Accountant ACA/ACCA	Up to £9,500 DfP £6,000- £8,000 + Benefits £6,500	London Germany City	ICL Robert Half Robert Half
Financial Accountant Management Accountant Financial Analyst Financial Accountant Cash Management Accountant	£8,000 £8,000 Up to £8,000- £8,500 + Car Lease	W. London Home Counties N. London West End Bracknell, Berks. London Based	Robert Half Robert Half Robert Half R.S.V.P. Recruitment B.M.W. (GB) Ltd.
European Auditors	—	—	Walt Disney Productions Ltd.
Accountant/Administrator	£6,264-£8,052	London	Hong Kong Trade Development Council

For the full text of these advertisements please see the Financial Times of that date or telephone Sally Stanley on 01-248-5597

## BUCKMASTER & MOORE

## Trainee Currency Dealer

The person we are seeking is likely to be aged between 20-24, with a positive attitude and essentially with some Stock Exchange experience.

The position offers the opportunity to be involved in currency dealing, also dealing in Eurobonds, Certificates of Deposits and placing orders in foreign stocks abroad, etc.

Prospects and benefits are those associated with a major firm of stockbrokers and an attractive salary will be offered.

Further details may be obtained, and an interview arranged, by writing in confidence to: Gerry Riddon, Administration Partner.

**Buckmaster & Moore**

The Stock Exchange, London EC2P 2JT.

## CHIEF FINANCIAL ACCOUNTANT

Buckinghamshire

PATERSON-JENKS is active in foods and allied products with a sales and distribution network to supermarkets and stores throughout the country. We are usefully balanced between products of our own manufacture and those for which we operate as 'broker' for major UK and international organisations.

THE POSITION involves a unique opportunity which is finance dominated and will ensure full scope for the talents of the person appointed. We are consolidating our administration centre by regrouping all financial sections at High Wycombe, for which we are embarking upon a major building extension. The Group Finance Director is keen to be supported at a high professional standard in the review, restructuring and control of accounting sections, and he has already ensured that full committed support exists from the other business functions.

KEY RESPONSIBILITIES for this Senior Manager will fall into two areas:

- The 'Manager' contributions of effective recruitment and the attainment of high performance from staff.
- The further development and control of financial accounting systems and departments, related to a newly introduced profit centre structure, and linking with profit forecasting and cash management techniques. There is scope for continued computerisation in liaison with DP Department, and personal assistance to the Director in preparing Board presentations. This is very much a 'go' situation.

THE IDEAL CANDIDATE, male or female, will be a qualified Chartered Accountant with experience of running a sizeable department. Whilst other areas of previous experience are obvious from the above, there should also be a level of business acumen and profit-consciousness to support a major role in the development of the Company's business. Success should lead to appointment as Group Financial Controller. The 'package' will be appropriate, including relocation assistance if necessary.

TELEPHONE (because we are keen to move quickly) for an application form from: V. Cunningham, Personnel Director, Jenks Bros. Ltd., Castle House, Desborough Road, High Wycombe, Bucks. Tel: High Wycombe (0494) 33465.

## TYPISTS:

A qualifying examination for the recruitment of Arabic conference typists will be held beginning 19 May 1980 in order to fill existing vacancies in the Arabic Typing Unit, Department of Conference Services, United Nations Secretariat at Headquarters. Applicants must have Arabic as their main language ("main language" is to be understood as the language in which the candidate is best able to work), with excellent knowledge of Arabic grammar. They must be between the ages of 23 and 35 and have completed their secondary education. They must be able to type in Arabic at a speed of no less than 50 words per minute. Knowledge of English, French or Spanish would be an advantage. Conference typists are required to do day or night shift work at varying times, and to work at week-ends and/or holidays when needed.

Candidates who are recommended for an appointment will be recruited to fill vacancies at a gross salary of \$1,085 to \$1,144 per month (\$843 to \$889 net per month).

Further information and application forms may be obtained by writing to: United Nations Information Centre, 14-15 Stratford Place, London W1N 9AF, England.

The deadline for the receipt of completed application forms is 28 March 1980.

## ACareer in Foreign Exchange

WOELLWARTH & CO. LTD.

have vacancies for a number of trainee brokers on their Foreign Exchange and Currency Deposit desks.

The requirement is for persons, preferably in their early twenties, with some previous commercial experience who are able to work efficiently and hard in the tense environment of an active dealing room, think and react quickly and have pleasant personalities.

On successful completion of a training period a rapid escalation in rewards is attainable.

Telephone Mr. R. Strudwick on 01-588 6861 for a preliminary discussion leading to interview.

## O.H.S. TRANSPORT LIMITED

WE ARE AN INTERNATIONAL COMPANY OPERATING IN EUROPE AND THE MIDDLE EAST AND ARE LOOKING FOR A MANAGER

The successful candidate for the post will be M.B.A. graduates, preferably with a marketing background, fluent in Turkish (which is of utmost importance due to extensive business involvement with Turkey), French and/or German. Frequent foreign travel will be necessary — marketing, insurance and transport experience preferred. Initial salary £8,000 plus fringe benefits of working for a large organisation. Selected overseas applicants' interview can be arranged at company's expense.

For an application form (to be returned by 20th February 1980) write to: O.H.S. TRANSPORT LTD., MANOR WAY, NEW ROAD, RAINHAM, ESSEX RM15 8RH

## Gilt Salesman-Longs Gilt Dealer-Shorts

The Gilt Edged Department of Wood, Mackenzie & Co., provides a comprehensive service in medium and long-dated stocks to institutional clients.

The Department's next phase of expansion includes the appointment of a further Salesman on long-dated stocks and a Dealer in short-dated stocks.

The Salesman should have two or more years experience of the long gilt market, obtained either in stockbroking or as a fund manager. An enterprising individual without experience will be considered if he/she has a relevant professional qualification.

The Dealer should have two or more years experience of dealing in shorts and must have an established reputation in that market. Both positions are located in London. Fully competitive salaries will be offered, plus profit-related bonus and additional fringe benefits.

Please apply in confidence to: T. Grimes, B.Sc., F.I.A., Wood, Mackenzie & Co., 62/63 Threadneedle Street, London EC2R 8HP, Tel: 01-600 3600.



**WOOD, MACKENZIE & CO.**

MEMBERS OF THE STOCK EXCHANGE



## Chief Executive

*Co-operative Wholesale Society Limited*

The CWS is manufacturer, wholesaler, retailer and provider of services to the Co-operative Movement. It supplies goods and services worth £1,700 million a year and employs some 30,000 people.

A successor is sought to Sir Arthur Sugden who is retiring as the Society's Chief Executive Officer.

A record of sustained achievement and excellence at or near the head of an enterprise comparable in size and diversity is required.

Remuneration is negotiable in excess of £50,000 with matching benefits.

Those interested should please write — in complete confidence — to D. A. Ravenscroft.

**MSL**

Management Selection Limited  
International Management Consultants  
474 Royal Exchange Manchester M2 7EJ

## REPORTING SECTION HEAD

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# THE ARTS

## Record Review

# The Record of Singing

by MAX LOPPERT

The Record of Singing Vol. 2: 1814-1925. EMI SLS 743 (13 records), £85.00

With two volumes still to come, EMI's *Record of Singing* is not yet complete, already it promises to be a monument quite as magnificent as Valhalla, and perhaps rather more durable. The second instalment of *The Record of Singing*—183 singers (if I have totted them up correctly) recorded during the final phase of the pre-electric period—is a mighty 13-disc set. The price is correspondingly mighty. Yet the worth is easily explained, to even the most sceptical reader, for it is far more than the sum of such important considerations as that among the items carefully chosen and lovingly transferred to LP from the Stuart-Liff Collection of 78s (the lifeblood of the enterprise) there can be found performances of extreme rarity; or that Volume 1, in a limited edition, sold out speedily to become a collector's piece, and that its successor looks set to do the same; or that the price includes the second volume of Michael Scott's commentary (also, like the first, available separately in hardback—Duckworth, £24), marvellously illustrated from the Stuart-Liff treasure trove of photos. In the delights they offer these records constitute a series of related lessons in the art and the very meaning of the singing voice—lessons of incalculable value and interest.

The lavent is ordered according to the existence of five broadly based national schools—Russian, French, Italian, Anglo-American, and German. The scheme is flexible enough to take the Japanese soprano Miura (an early "authentic" Butterfly) and the Norwegian Bryn-Langard among the Anglo-Americans, since, as Mr. Scott says, their reputations would be consolidated in these countries. The famous names of the period are all there. Shalyapin with whom the first volume closed leads the roll of honour, Melchior ends it, and in between we find Muzio, Bori, Galli-Curci, Schipa, Gigli, Martinelli, De Luca, McCormack,

Ponselle, Rathberg, Leider, Lotte Lehmann, Schumann, Tauber and Kipnis, all represented to display an essential facet of their art. There is pleasure and illumination in hearing them anew, in this precisely derived context, quite as much of both in the chances provided to renew acquaintances or to make new discoveries among the less famous and the little-known.

"We don't hear singing like this any more": the old refrain is inescapable. And hardly any longer to be dismissed as the critic's rose-tinted automatic response indeed, at a time when makeshift, make-do Normans, Arancens, Radames, Rigoletto, Brünnhilde, and Wotan occupy the international stages, when born Carnemens are hard to find, idiomatic Fausts and Marguerites almost undiscoverable, and the species Siegfried appears to be extinct, these records, with their luxuriant profusion of talent in all categories, make for poignant listening. Think of an equivalent modern period—1964-75. Could a corresponding anthology be assembled? The modern phenomenon, the singer (such as Yvonne Minton) well heard in Mozart, Berlioz, Wagner, Mahler, Berg, Boulez and Tippett, would merit a full documentation; but the demonstrations of the virtues of pure, steady tone, clear, individual utterance of words, personal shading and emotional warmth contained within an evenly sustained phrase—these must surely prove a good deal harder to come by.

I began the epic journey of 26 sides on side 3, with the French school. Mr. Scott deems the period under review "The French Tradition in Decline," and plausibly supports his thesis. Even so, a succession of tenors like Paul Franz (brilliant and free-voiced as Gomo's Romeo), Anseau (an ardent, poetic "O paradis"), Charles Friant (bold, original, and vibrant in *Prince Igor*), and the little-known Louis Cazette (so dulcet and tender in an air from Massenet's *Grisélidis*) will appear to contradict him.

Elsewhere, successions of this kind are easily found and equally rewarding: the Russian

sopranos Kuznetsova (a sensuous, fragrant Massenet Manon), Cherkasskaya and Koshetz; the Italian and Spanish soprano *leggeri*—Galli-Curci, the hardly less exquisite Pareto, the exhilarating Barrientos and the acid but piquant Elvira de Hidalgo; the robust Australian baritones and basses Dawson, Horace Stevens, and Malcolm McEachern, each a master of technique. The lists and permutations are endless; a full report demands several columns of close, enthusiastic description.

Much of the music is now unfamiliar. Much of it is the popular music of the period—varying kinds and qualities of the "sentimental...ditty" formerly deemed (by such as the Grove 5 writer on McCormack) "not to be listened to with patience by critics or by enjoyment by true music-lovers." Happily, the time for genteel snobbery of this kind is long past. Certainly, I find that when an Edith Mason lavishes her radiant purity of utterance on Teresa del Riego's "O dry those tears," or when a Lucrécia Bori sings "When love is kind" in an English of the most potent charm and character, or when a Julia Culp brings to Horn's "I've been roaming" all the affectionate simplicity of her noble art, I listen with more than patience, and much enjoyment. Different ears hear these things differently; yet the transforming power of vocal artistry, of which the best of these examples afford so vivid an exhibition, is one of the things *The Record of Singing* is most notably and obviously "about."

The point is well made in the commentary; that is one of its strengths. Mr. Scott also demands fuller discussion than is possible here. In brief, his book is packed tight with fascinating biographical detail; it is closely researched, strongly argued (if not always very elegantly worded), intentionally controversial, stimulating and infuriating by turns. The writer deserves particular sympathy for his viewpoint on such matters as the importance of "historical imagination" in listening to and differentiating

between past singing styles, and on the expressive function of the vocal arts—portamento, rubato, messa di voce, controlled use of vibrato—all but lost in our day. I respect his determination not to be swayed by received critical opinion, and to subject all the available material, even the most familiar and famous, to fresh scrutiny.

The trouble is that what reads very much like personal animus seems to underlie that determination, and to inform the account given of more than one "superstar" within the purview of Volume 2. Mr. Scott was recently quoted (in a *Guardian* interview) as saying that the writing of these studies offered an ideal opportunity "to settle a few old scores in the process." Settle them with whom, the kind of writer whose praise for Martinelli, Ponselle, Journet, Schumann et al Mr. Scott is at pains to dispute, or the singers themselves? Reading the section on Elena Gerhardt, it becomes hard not to feel that Mr. Scott has indeed "settled a score," and settled her hash as well!

The obverse side of the coin is the praiseworthy consideration accorded to voices Mr. Scott judges insufficiently esteemed—though even here I was disconcerted to discover how frequently his ears and mine come to slightly or strikingly different conclusions. And for all the warmth with which a charger is mounted against the kind of snobbery exemplified earlier, there is plentiful evidence of Mr. Scott's own limited musical tastes. To write of Toscanini as though there were no more to his performances than bald phrasing and high tension shows a lack of stylistic comprehension quite as serious as that complained of in others. And when, in discussion of a lovely reading of Jenufa's Act 2 prayer by Zlinda Yuryevskaya, Mr. Scott is moved to describe Janacek's vocal line as "awkwardly winding, sometimes downright ugly" and to complain of his "ignorance of or lack of sympathy for the singing voice," the temptation to dismiss him in turn as a stupid man, a man with blocked ears, has to be resisted very hard.

## Paris theatre

# Tyranny down the ages

by NICHOLAS POWELL

Totalitarianism rules in a sizeable proportion of the Paris New Year productions.

Tom Stoppard and André Previn's *Every Good Boy Deserves Favour*, French title *La Musique adoucit les moeurs*, directed by Robert Dhery, who also acts the dissident Ivanov, is playing at the Theatre de la Ville until April 11 and proving as successful here as it has been in the UK. Acting and staging are first rate, and the slightness of the text is happily bolstered by fine playing from the Orchestre du Conservatoire de Paris, which Dhery has parked in a half-raised, triangular formation converging on the conductor at centre back stage.

The stage is dominated by a suspended white triangle, the tip of which hovers over the conductor's head—over all, a severe and fascinating geometry, complemented by the harsh black and white of the costumes; only Sacha and the schoolmistress wear other colours.

The differences between the two characters are underlined mainly by use of movement. Pierre Vaneck's lunatic twitches apparently uncontrollably (does madness necessarily afflict the muscles?) while Robert Dhery is a practically motionless dissident, withdrawn and stubborn.

But whether it is in French or English, the objections raised by the play remain: is orchestral harmony a suitable metaphor for the totalitarian machine and why doesn't Stoppard get to grips with the essential components of both madness and dissidence—intense suffering?

*Macbeth* at the Theatre des Bouffes du Nord, features the 64-year-old Michel Bouquet as a surprisingly aged Scottish hero. Director Jacques Rosner has set the play in an ill-defined present, dressing the actors in military uniforms unbecomingly close to those worn by the Salvation Army. The only scenery in what is virtually an "in the round" production is a bunker-like construction which lurches on and off stage on wheels. Effective in the early parts of the play, this concrete version of Macbeth's castle slows down, in its clumsiness, the important pace of Act V. The weaknesses in Rosner's production stem from the relative



Scene from 'Every Good Boy Deserves Favour'

inexperience of some of the actors and the error of historical precision: equipping the English army with identifiable Tommy helmets when all else is vague was not a good idea.

Bouquet is a hard, controlled Macbeth who gabbles some of the more passionate poetry but brings a dimension of the cynical manoeuvring politician to the role. Juliette Carre, however, is a weak Lady Macbeth, less of a murderess than a hard-bitten West End hostess, who only begins to convince in the latter part of the play. Rosner's witches are particularly successful—their irrationality is all the more chilling because they are set against the rigid uniforms of the Scottish nobles and screened off from the rest of the stage by a gauze curtain. Especially effective is Act IV Scene 1, when Macbeth returns for supernatural reassurance. Bouquet's headstrong King, blustering into misinterpretation after misinterpretation,

mistakes the mocking giggles of the witches for light-hearted applause.

*Mephisto*, at the Cartoucherie de Vincennes, adapted from Klaus Mann's novel by Ariana Mnouchkine for the Theatre du Soleil, ends its Paris run on February 10 to tour the French provinces, Italy and Germany.

This cumbersome, four-hour-long show concerns a troop of pre-war German actors who are eventually destroyed, morally or physically, by Nazism. The fact that the rise of Nazism has been wrong dry as a theme makes it all the more unforgivable that Ariana Mnouchkine should mess up the important bits: she fails to express any violence or ideological seductions of the period.

The actors opt for Communism or National Socialism, but one never knows why—the choice seems purely narcissistic. There is more teeth-grinding narcissism when the troop

agonisingly discusses the "social relevance" of its work. Ariana Mnouchkine has no fear of cliché. The villain actor destined to sell out to Nazism has, we learn, something sado-masochistic going with a black cabaret singer. An SS thug started life as a gay gigolo. In fact, the whole of *Mephisto* subscribes to a tiresome equation between fascism and sexual deviation which is very unfair to pervers.

The theatre itself is luxuriously decorated with murals depicting Prussian officers and battle scenes. The ceiling has a sky painted on it and there is a stage at each end of the auditorium. Changing the action from one end to the other necessitates as many changes of seating for the audience.

All the splendour achieves no end. Like the drum rolls and excerpts from Hitler's speeches which mark scene changes, it is extraneous and compensatory. The money would have been better spent on convincing scenery and costumes, dancing lessons and the hire of a decent jazz band. Instead, the frocks seem to have come from Oxfam, the dancers can't count further than two and the band doesn't swing so much as wobble.

At the Theatre d'Orsay Nathalie Sarraute's latest play, *Elle est là*, minutely explores the psychological intricacies of disagreement. More than ever abstract, Sarraute's text expresses the normally unspoken thoughts of a man (finely portrayed by Roland Bertin) who has quarrelled with a woman colleague.

Just what is at stake is never mentioned—the substance of the play being the furious inner monologue which follows the row. An idea which the man held dear has been jeopardised by the stubborn independence of mind of the woman. Having failed to seduce, the man's thoughts turn to repression and intolerance.

The three men and one woman in the play are simply referred to in the dramatic personae as H1, H2, H3 and F. Sarraute is one step nearer the "nameless magma" which she once defined as her artistic goal.

## Royal Court People Show

"We've been doing this a long time and we still ain't up there" complains Mark Long to his vaudevillean sidekick, Emil Wolk. The People Show last appeared on the Sloane Square main stage in 1959, during William Gaskill's "Come Together" festival. The double act is trying to fly, but Emil is doubtful, as Mark warns a lady in the circle to make room and reminds Emil that this is a first night. "You live your life like a preview," he chides.

The stage is occupied by a large wooden structure, whose twin drawbridges rise from the centre. In front of the safety curtain, saxophonist George Khan has played, not for the last time, Hoagy Carmichael's plaintive "Stardust," the tune of a lonely man in reverie. Will the show take off? Will Emil Wolk, or rather, fly? On the sidelines, the brooding bird man (José Nava) deliberately builds a nest and waits for its occupant.

The missing bird is to be tempted by cereal. To this end, the delivery man has turned up with packets and packets of shredded wheat. These in turn become properties for the comedians, who throw them recklessly about the stage before Mark embarks on an attempt to deposit an obviously self-taped-together pile of them on the drawbridge. The routine expires and a bow is taken. The apes start to howl, not the bowing. Backs begin to creak and so does the bridge. The highlight of the act has been Emil's accidental elevation from ground level to the roof of the theatre while the black girl, who is eventually to dress up as an exotic fowl (Joy Lemoine), beats Mark about the head with a newspaper and inquires where he is off to. For some reason, it is Blackburn.

Making the parts of any People Show fit is a dodgy undertaking for a critic, but resisting the temptation to say "Just sit back, enjoy the images and give it a whirl." I am stymied as to what the butcher girl is up to. This is a new recruit, Linda Hoyle, and she does not, as yet, cut much ice as a personality.

The presentation is mounted with all the confidence and panache we have come to expect of this group, their occupation of the building as humorous as it is irrepressibly inventive. As the bird girl disappears on a toy tube train along the outline of an upstage railway track, three of the cast, two of them howling brass counterparts to Mr. Khan, suddenly descend from sight down the trap. A frame of coloured lights decorates the bridge as it rises once again, this time with José straddling the drop. The knock-about routines are modest but precisely worked out, and the internal relationships between the participants continue to prosper. It certainly makes a change and is well worth a visit. MICHAEL COVENEY



Plácido Domingo

## Covent Garden

# Otello by MAX LOPPERT

The postponement of the scheduled new production of *Andrea Chénier*, an attractive, unimportant piece, has brought in its place *Otello*, the high water mark of Italian operatic tragedy. In the event, Tuesday's *Otello*, conducted by Carlos Kleiber (his first Verdi in London) and headed by Plácido Domingo (his first Royal Opera *Otello*), was a revival of superior quality. The production, rehearsed by Andre Anderson, and sets were their quarter-century gracefully—or is one's affectionate tolerance being enquired by fearful guesses at what today's opera producers might contrive for their replacement? The chorus and orchestra had been exhaustively prepared; night mishaps apart, the extreme lucidity, balance, and poetic tautness of the playing and the uncommon engagement of the choral singing were all we have come to expect when Kleiber takes charge in the pit.

There were any number of instrumental details, normally left buried in the texture by less prescient conductors, brought shining and new-minted to the surface—never wilfully, it must be stressed, nor in a spirit of originality-at-all-costs. As in his *Bohème* earlier in the season, Kleiber evinced a remarkable gift for making continuous and cumulative dramatic sense of scurrying far figures in the opening sequence, the product of genuinely rhythmic conducting. A first-night impression that later evenings are quite likely to

modify or even contradict was of a want of weight, expansiveness, and grandeur in all of *Otello*'s scenes, and therefore in the performance as a whole. "Ora e per sempre," *Allegro*, was not noticeably *ossai* rite-musical, was not the opera's pivotal point, not the lofty heroic utterance it can be when more broadly unfolded: it seemed to flash by too fleetly, without making full impact.

Domingo's *Otello* is surely the most generously voiced, the most refulgent and ringing of tone, that this production has heard. At a time when audiences are habituated to expecting less and less from Verdi tenors, this is sufficiently unusual. Still more unusual is the way the splendid instrument has been harnessed in the service of a portrayal that is absolutely cogent and immensely powerful. Domingo shows us an exotic, volcanic Moor, whose violence and whose Moorishness increase apace. (Some saluting before an open window in the instrumental introduction to the final scene took the exoticism a touch far.) He enacts the animal passion of the man with an almost feral intensity; he seems only to lack the greatness of soul that would force the spectator to feel pity and terror at his downfall.

Mobility of this kind may have been purposely eschewed. Its absence may also be accounted for by the want of expansiveness in the tempo noted earlier, and by declamatory clarity (except when the sibilants of "Abasso le spade!" went oddly dull) and inclusive

yet unable to command the *sfumature*, the charged, sentient infections of famous *Otello*s long past. Unable, that is, until "Nim mi tema," when a new and searching eloquence seemed to touch Domingo's lips—and, with them, the performance.

This was Margaret Price's first Verdi appearance at Covent Garden. She looked well, in an ample, Titianesque way, and sang with cool beauty of tone, exquisite in tracing the absolutely even interlarded rise and fall of the line, easily riding the ensembles. Neither she nor Domingo employ to the full the portamento that would lend the love duet an even more tenderly sensuous caress; the vocal movement remained pure and tasteful in the modern manner. Miss Price's Desdemona is carefully studied, not spontaneous, not very moving. Silvano Carroli's Iago has become encrusted with mannerisms. Hardly a word is uttered "straight," hardly a phrase made of joined notes; there is much huffing and puffing in the drinking scene, much nasal tone and suspect intonation in the Dream, much loose, casual posturing. If this sounds harsh, the reproaches proceed from disappointment; for two years ago this was an Ancient of high dramatic promise, and, though Mr. Carroli's natural stage presence still tells, on Tuesday it was that parts; a special word for Claire Powell's touching Emilia and the smooth, sonorous Lodovico of Robert Lloyd.

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Thursday February 7 1980

## Everyone else out of step

STERLING HAS risen strongly to the peak achieved last year, although the banking figures continue to show excessive money supply growth. This seems to contradict both the new and the old orthodoxes of monetary theory; but it reflects two facts, one only too familiar, the other readily forgotten. The familiar fact is that the authorities are trying to restrain monetary growth to 11 per cent at a time when money incomes are rising by perhaps 15 per cent, an unprecedented squeeze in a system in which liquidity was already fairly tight. This is causing our domestic agonies.

What is readily forgotten, however, is that we are at the moment treading this deflationary path almost alone. In no other major country has the rate of monetary growth been reduced even to the rate of growth of income. Let alone below it. Despite rising interest rates, credit is relatively easy in the world at large; market rates are characteristically near to the rate of wholesale price inflation, and in many major economies are well below it. It is this comparison between commercial rates and wholesale price increases which measures the ease of commercial credit conditions. Funds flow to the tightest market.

## Dangers

Of course a strong exchange rate and the intensification of competitive pressure which results is one of the main ways in which monetary tightness can be expected to restrain inflation; but there is a limit to the speed at which any economy can adjust without disruption, and the authorities must always be aware of the danger of producing inadvertently exaggerated results. These dangers are especially great when monetary conditions in the world at large are slack enough to facilitate large capital movements. When sterling is rising strongly despite fairly persistent if modest official intervention in the exchange markets to meet foreign demand for the currency, there is certainly a prima facie case for looking suspiciously at the forces generating capital flows.

The problem is to some extent a new one. It is now because, although our own monetary objectives are very tight, we have only recently come near to achieving them, with market

forces trying to drive interest rates still higher.

However, this may be a transitional problem, for two reasons. First, the present peak in credit demand is probably the usual climax which marks the onset of a recession, as sales begin to fall behind budget, and extra credit is needed to finance an involuntary rise in stocks. This pressure will ease as the recession develops. Furthermore, international interest rates are still rising strongly; sterling rates may not look so attractive in comparative terms as others tend to fall into deflationary step behind us. The market forces which are at present attracting short-term funds to London, to fill the gap between domestic credit creation and credit demand, may not be enduring.

## Dilemma

In the long-term market, however, the problem may well last longer. Sterling is now perceived as a strong currency. High long-term returns in a strong currency are irresistible.

In a system which relies as heavily as ours does on long term funds, this is another reason why one else is out of step—the authorities face a dilemma. As long as there is no official intervention in the exchange market, selling Government stock to foreign investors has exactly the same effect in reducing liquidity as selling to domestic investors, but the exchange rate tends to rise. If, on the other hand, foreign investment demand is met by what is essentially a swap of assets, while we build up our exchange reserves in step with our long-term official liabilities overseas, then the exchange rate is stabilised, but foreign demand has to be satisfied with extra issues of stock. The investment demand for sterling therefore entails either an excessive upward pressure on the exchange rate, or a still faster growth in very expensive long-term sterling official debt.

## Objective

It is inappropriate that the managers of a strong currency should be offering 15 per cent or so for 20-year credit, while the aim of the coming monetary reform is not primarily to alter the structure of Government debt issues, this could be one of its most useful results. It should be regarded as one of the policy objectives, and certainly not the least important.

## Open questions on ITV-2

IN PROPOSING the setting up of a second commercial television channel, the Government has been concerned to ensure that it should not contribute to a decline in the general level of programme standards, such as might be precipitated by a ratings war, in which the new channel might be struggling to achieve an adequate share of the available audience. This concern is irreproachable. By common consent, the UK enjoys a general standard of television as good as that to be found anywhere, and it would be highly regrettable if anything were to be done which could jeopardise this position. But it is not self-evident that the Broadcasting Bill provides the only, or even the best, solution to this problem, and it raises a number of questions which will need to be answered before a final judgment can be made.

## Finance

The first and most important of these questions concerns the financing of the new company. According to the eBill, the Independent Broadcasting Authority will set up a subsidiary company which will be responsible for putting out the programmes on the new (national) channel; but the prerogative of selling the advertisements on the new channel will rest with the existing Independent Television programme companies, in return for making payments to the IBA.

On the face of it, this could be construed as giving the ITV companies a rather large measure of influence on the new channel, and virtually total control in fixing advertising rates on both channels. The Independent Broadcasting Authority seems to take the view that the new channel cannot be self-supporting from advertising revenue, and will need, therefore, to be subsidised by subscriptions from the programme contractors on ITV-1. The advertising industry, by contrast, believes the new channel will be profitable within a couple of years. It is not obvious that ITV-3 will have a better chance of commercial viability if the advertising is controlled by the existing commercial contractors.

Three months ago, before the

Bill was tabled, the IBA published its own ideas on the new channel; these are consistent with the Bill, but more detailed. In particular, the existing ITV companies would have a block of four seats on the board of the new programme company, out of a total of possibly eleven. It is not immediately obvious how in this case a potential conflict of interest is to be avoided. On the editorial front, the Government is concerned that the new channel shall cater for specialised, minority and educational interests, so that it shall have a distinctive character of its own and be, as it were, to ITV-1 what BBC-2 is to BBC-1. Partly to this end, the IBA is required to ensure that a "substantial" proportion of the programmes should come from independent programme makers who are not controlled by the existing ITV companies. The key word here is balance. It is obviously undesirable that a fourth channel should have an undiluted diet of quiz games, thrillers and chat shows, in the pursuit of an audience. On the other hand, it is equally undesirable that it should become a minorities' ghetto, or even a convenient repository for repeats of programmes previously put out by the ITV network.

## Judgment

According to the IBA proposals, up to 75 per cent of the programmes would be provided either by the ITV companies or by Independent Television News, with a further 5 to 14 per cent coming from foreign sources; independent programme-makers would provide between 15 and 35 per cent. Whether this is the right balance is a matter of judgment. It certainly raises the question whether the ITV companies will suffer from a conflict of interest in the programmes they offer, and at what price.

There are, no doubt, many different ways of setting up a fourth channel, with different advantages and disadvantages. What the Government will have to explain in much greater detail as this Bill goes through the House of Commons is why it believes its proposed solution to be the right one.

## OPEC MODERATES UNDER PRESSURE

## The muddle of world oil prices

BY RAY DAFTER, ENERGY EDITOR



Dr. Ulf Lantke, Director of the International Energy Agency.

SAUDI ARABIA'S bold attempt to bring new order to the international oil market has clearly failed—at least in the short term. Last week the kingdom asked \$2 a barrel more for its crude oil in the hope that this would stabilise prices and narrow the gap between the rates demanded by the doves and hawks within the Organisation of Petroleum Exporting Countries.

In the event the reverse happened. Instead of being a restraining move, the Saudi action has had the effect of unleashing a spate of price adjustments. During the past week or so the pricing whirligig has been spinning as fast as ever; it seems that consuming countries, the oil industry, the International Energy Agency and Saudi Arabia could do no more than stand in the resultant turbulence in a state of bewilderment.

Few in the energy industry could have envisaged prices moving so rapidly, so soon after the big increase announced before, during and after the OPEC ministerial meeting in Caracas in December. The signals were all wrong.

## Spot market volatility

For instance, prices in the volatile spot market have been falling consistently since the latter part of December. Just before Christmas cargoes of Middle East crude were being bought for \$39 to \$40 a barrel, in some cases around \$15 a barrel above the contract sales price. Towards the end of January Rotterdam spot market dealers were reporting that rates had fallen to nearer \$34-\$35 a barrel. In the past week prices of between \$30 and \$33 a barrel have been quoted.

Not that there has been a great deal of activity in the spot market. As a consequence of a mild winter in the northern hemisphere, stock tanks are almost full. OPEC producers are providing more than enough oil to keep the West fully supplied with energy.

Dr. Ulf Lantke, director of the International Energy Agency, said in Paris on Tuesday that he reckoned the oil supply was currently running at a rate of at least 1m barrels a day above the level of demand. Providing there were no major supply disruptions, the oil market this year should not be as tight as in 1979. Dr. Lantke gave two underlying reasons for this change. First, economic growth was expected to be much lower this year. Secondly, the 20 IEA nations were curbing demand by means of conservation policies.

Dr. Lantke questioned whether the new oil price rises could be justified. "I do not see how these price developments can be supported by the

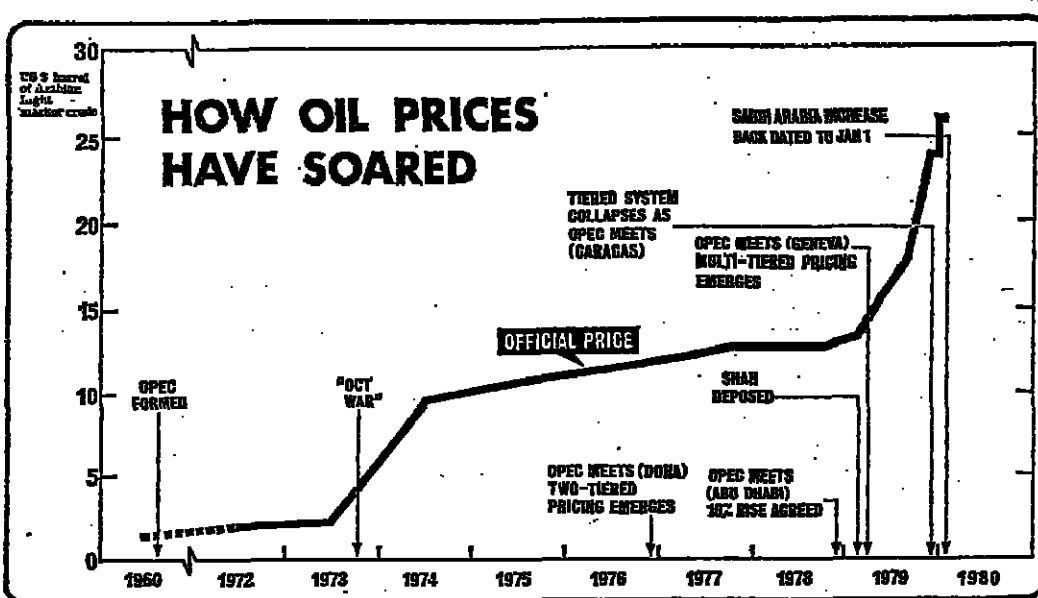
market. We have already gone into 1980 with an average additional price burden of about 55 per cent compared with average prices in 1979."

Yet shortly after Saudi Arabia announced on January 28 that it was raising the price of its Arabian Light "marker" crude to \$26 a barrel, four other Gulf states—Kuwait, Iraq, the United Arab Emirates and Qatar—announced that they too were adding \$2 a barrel to prices, back-dated (like the Saudi increase) to January 1. These four are among the more moderate members of OPEC which at Caracas had aligned their prices on a notional marker price of \$26 a barrel. Their new marker now stands at \$28 a barrel leaving Saudi Arabia still \$2 a barrel behind.

Not unnaturally the Saudis were disappointed by the response of the other Gulf states—a response which started domino reaction. Iran moved ahead even further. As one of the OPEC hawks Iran had set its base price at \$28.50 a barrel on the eve of the Caracas meeting. During the price fixing sessions, Mr. Ali Akbar Moinefar, Iran's ebullient Oil Minister, apparently indicated he would like to see the reference level pitched at around \$35 a barrel, a price needed to stimulate the development of alternative fuels.

Other OPEC ministers refused to support this stance, and they failed to agree on any common marker price. Mr. Moinefar returned home and started easing up Iran's prices by means of special contract deals with international energy companies. These contracts, signed by Shell and British Petroleum among others, were based on a pricing formula related to both contract and spot market rates. It worked out that Iran's oil was being sold at \$30 a barrel.

Following the Saudi move, Iran last week added \$2.50 to its basic prices, giving a reference level of \$31 a barrel and a negotiated contract rate of \$32.50.



But the muddle does not stop there. For there is another group of producers—the Africans—which have added yet another shade to the pricing spectrum.

The Africans, principally Nigeria, Algeria and Libya, have always charged premium rates for their high quality crude. In recent months this policy has pushed their prices into the territory normally reserved for spot market sales. Nigeria has been the most restrained of the trio. Throughout January it charged around \$30 a barrel for its Bonny Light crude. Algeria settled for a similar reference level but added \$3 a barrel exploration surcharge refundable to companies which invest in the search for new Algerian reserves. Libya opted for prices of up to \$34.75, including special surcharges.

During the past weekend Nigeria and Algeria announced yet another set of increases. Algerian crude went up to \$37.21 a barrel (including the exploration supplement) and Nigerian top grade crude to \$34.21. Libya has still to announce whether or not it will follow suit, although it must be mindful that present African contract prices are somewhat above the spot market rates for Middle East crude.

## Consequences for UK

The African stance has a direct bearing on prices for the North Sea oil, now one of the most important sources of non-OPEC oil traded in the international market. Last year the UK and Norway produced oil at the rate of almost 2m barrels a day, on a par with Libya and much more than OPEC stalwarts like Abu Dhabi, Indonesia and Algeria. Up to now Mr. David Howell, the Energy Secretary, has insisted that Britain should be seen as a pricing moderate, a follower rather than a leader of trends.

Throughout January this presented a problem to British National Oil Corporation, the state undertaking which directly influences the price of up to three-quarters of Britain's oil output as a result of its own equity holdings and numerous state participation deals. Not only was BNOC to set a "moderate" price; it also has to set rates in line with international levels—that is a condition of the state participation deals.

Following lengthy negotiations, during which time there was a good deal of toing and froing between the British Government, pricing moderate Saudi Arabia and the oil-thirsty U.S., a compromise was reached. The price of Forties Field "reference" crude was set at \$29.75, roughly in line with the then price of Nigerian oil. Small independent companies which had ventured into the North Sea with the aim of finding, producing and selling crude complained that UK oil was being underpriced: Tricentrol, London and Scottish Marine Oil, Santa Fe and other companies argued that they could have sold their oil for \$33 to \$34 a barrel in January.

Some independents swallowed and accepted the BNOC offer, mindful of the need to behave when a new round of exploration licences are about to be awarded. Large integrated companies were happy to accept the moderate price; it gave them cheap feedstock for their refineries. What they lost in reduced profits from production they could make up in improved margins on product sales. (Also Shell, British Petroleum, Amoco and Gulf have been uneasy about the advantages currently being provided to their main rivals—Exxon, Standard Oil of California (Chevron), Texaco and Mobil—which, as members of the Aramco partnership, are customers of Saudi Arabia's "cheap" oil.)

Now that Nigeria and Algeria have raised their prices,

BNOC is involved in a new round of negotiations to fix North Sea pricing levels from February 1. Again, the Corporation has been told by Mr. Howell to be moderate.

With this in mind, it is possible that BNOC could decide to leave prices where they are—around \$29.75 a barrel—and wait to see if any company protests. If the challenge is made—and this is likely—the price setting would be put into the hands of independent experts. The Corporation would not welcome this tactic, however, for it would be seen to be relinquishing some of its important price-formulating powers.

A second option would be simple. BNOC could go ahead and nominate an increase of, say, \$4 a barrel, keeping North Sea prices in line with those of Nigeria.

Third, the Corporation could opt for a compromise by raising the price by, say, \$2 a barrel, and then imposing a further surcharge, which might also be around \$2 to start with, which could be raised or lowered depending on market conditions. There is a strong feeling that the more hawkish members of OPEC have been over-ambitious. The eroded differential between spot and contract rates would seem to support this view. It is hard to see how the market could support such high contract levels.

The well-informed Middle East Economic Survey reported on Tuesday that the Saudis "disturbed and disappointed" by the reaction to their own pricing stance, may take action to force down prices. They might either reduce their prices or considerably increase their level of production. This latter course might be adopted if other producers started to reduce their output because of the big rise in revenue.

It is far from certain that either tactic would work. Certainly the kingdom's moderate pricing stance has had little effect on other OPEC producers recently. If Saudi prices were

reduced it would only provide more benefit to the Aramco partners, and it is known that the Saudi Government has become concerned about the big profits being announced by members of the consortium.

Saudi Arabia is already producing oil at the rate of 9.5m b/d, some 1m b/d above the level "politically acceptable" within the kingdom. The Saudis might be able to push their output to between 10m and 10.5m b/d for a short while. This might create something of a glut in a period of dampened demand, except that a number of other producers would, almost certainly, cut their output, particularly those members of OPEC with relatively small populations—Libya, Kuwait, Abu Dhabi and Qatar. For them, as for most OPEC members, there is little justification in exhausting a finite resource when the higher prices are providing them with more than enough revenue.

Mr. Gordon Richardson, Governor of the Bank of England, told the Overseas Bankers' Club this week that the problems of recycling the growing financial surpluses of oil-exporting nations were likely to become more acute. In 1975 these surpluses were around \$30bn. Last year they had risen to around \$60bn. This year they could rise by at least a further 50 per cent.

## Appreciating asset

Saudi Arabia, as the world's leading oil exporter, is finding it increasingly difficult to pick profitable investment schemes for its revenue—now running at almost \$250m each day. Instead of increasing its output, the kingdom may well be forced to reduce its oil sales. The warning was made plain this week by Mr. Abdul Aziz al-Dukheil, chairman of the Saudi Arabian Investment Company.

He told a symposium of about 500 European businessmen in Davos that he did not think the Saudi Government could resist much longer pressure to keep its oil in the ground. "For us the choice is simple. Oil is an appreciating asset as long as it remains in the ground. By selling oil we are being asked to swap one asset for another. The asset we switch into has to be better than depreciating dollars."

The pressures are the same for all OPEC members. During the past year or so they have taken advantage of oil supply uncertainties and lifted prices to hitherto undreamed of levels. Those who believe that current prices are untenable may be whistling in the wind.

For, having revalued the world's crude oil resources OPEC may now be more keen to exercise more concerted control over production levels—to maintain a balanced market—than to allow prices to slip back.

## MEN AND MATTERS

## Mikardo prepares for the off

Since the starter raised his white flag on the Callaghan Succession Stakes, Ian Mikardo, unofficial bookmaker to the Palace of Westminster, has been busy again exploiting the sporting instincts of his fellow MPs.

Surprisingly, I can reveal, the odds quoted in Mikardo's little book run against the trend of received opinion, which places Denis Healey as best bet. Mikardo's odds on his winning are 7 to 4, while slimmed-down John Silkin has emerged as favourite at 13 to 8. Peter Shore lags at 7 to 1.

Few members give jigger Roy Hattersley much chance since this will be his first outing in a class field, while Tony Benn, presumably in the light of his habit of running in the opposite direction to most of the other horses, ranks among the outsiders and is quoted at a humbling 33 to 1.

## Hunting season

Having made a fairly dismal foray into the British market 11 years ago, U.S. headhunters Ward Howell are trying again, this time by holding hands—no money exchanged—with London-based Christopher Tilly and Associates. It is a type of arrangement which, according to Ward Howell's president and chief executive Max Ulrich, is working just fine in Belgium, Holland and Australia.

Ulrich believes the European executive search business (headhunters generally prefer this phrase) to be "in complete disarray," and ripe for a touch of New York pragmatism.

No one feels at all embarrassed about the term headhunting on the other side of the Atlantic. Indeed, Ulrich likes to see it as an essential part of the "maximisation of a scarce resource," namely, management expertise. The British style, hitherto largely reliant on the old-boy network, he sees as in-



"Well, Prime Minister, why not shift your Olympic boycott campaign to the EEC?"

adequate to meet today's needs. Moreover, he dismissed any misgivings about what some might regard as poaching. "You can't," he says with a certain logic, "poach an executive who is happy."

Running one of the largest executive search firms in the U.S., he is proud not to have lost any of his men to rivals; at least 20 attempts are made, he says, every year. Perhaps inconsistently, he does not himself recruit from rival headhunters—"it's an ethical question"—and is a trifle contemptuous of West European executive searchers' continual forays into each others' personnel.

## Shy man of steel

One familiar adage about executive search, as one must call it, is that the hunted head quite often does not last more than six months. Succumbing to the flattery of being approached in the first place, he soon finds—it is said—that the Valhalla of his career is in fact at the end of a different tunnel. Executive searchers naturally deny this.

On their side they at least

have the currently shining example of Derek Norton, bulky, extrovert chairman of the Lomrho steel-making subsidiary Hadfield's. Norton, the man now telling the world how disinclined he is to pay VAT dues until the steel strike is cleared up, was himself headhunted for a part of Oliver Jessel's empire later taken over by Lomrho.

Norton has at least shown some strong sticking power, totally reorganising the concern and commanding extraordinary loyalty from its workforce, despite—or perhaps because of—a dictum three years ago: "If I can't see a company making £100,000 a year it's not worth the effort."

Norton's strong management is combined with wandering around his patch and talking to everyone (he calls this making the milkround), and filling executive jobs wherever possible from the inside. He has little time for the company magazine style of communication. He and Jessel got on well, and Norton declares himself a great admirer of his new boss, Lomrho chairman Tiny Rowlands. The acclaim Norton himself has, however, proved too much for him. A spokesman for Hadfield's told me yesterday he was "very flattered" by all the publicity, but felt further "personal embellishment" was not quite the thing.

## Down with gravity

Spook political parties come and go—indeed, it might be said, some actually get into power. But Canada's Rhinoceros Party has proved more durable than most. Founded almost 20 years ago, it is putting up 121 candidates in the forthcoming election after an encouraging result last time round. Then, High spot of the Rhino's manifesto is a pledge to abolish the law of gravity, while Mark Elson in the Peterborough constituency is campaigning for the abolition of metrication. "If God had wanted us to go

metric," he argues, "he would not have given us 12 Apostles." His critics point out that God gave us 10 fingers before the Apostles.

## Organic parts

This year's programme for the Edinburgh International Festival is being announced today, but I can reveal in advance one of its more bizarre features. The climax in a series of concerts in the Usher Hall—the city's biggest auditorium—is to be a performance of Berlioz's Te Deum, with Claudio Abbado, the London Symphony Orchestra, the Festival Chorus, and Gillian Weir playing the organ.

This last credit will surprise those who know the Usher Hall, although it has an organ, the instrument is regarded as so worn out as to be unplayable—a fact that has dictated the choral offerings at Edinburgh Festivals for years past. This hitch is apparently to be overcome by having Miss Weir play somewhere else—probably 50 miles away at Paisley Abbey. John Drummond, Festival director, established a reputation for innovation with his first festival last year. He defied those who said Edinburgh did not have a hall suitable for ballet—by staging it in a tent. He is modest about this latest idea. It came from Abbado, he says, who is a model railway enthusiast and mad about gadgets.

## Men and memos

Even Sir Arnold Weinstock, managing director of GEC, is not, I hear, immune to that popular channel of communication, the grafia. When a printed injunction "DO NOT WASTE WATER" appeared in the cloakroom used by GEC directors, a hand, readily recognisable as Sir Arnold's, added "OR ANYTHING ELSE."

Observer

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# A balanced package for the Budget

THE SO-CALLED "building blocks" of the Budget are beginning to arrive in the form of answers to Parliamentary Questions about the cost or gain changes. It is crystal clear—as it should have been last year—that no clever shuffling of these blocks is going to transform the nation's economic fortunes.

The burden of tax is determined largely by the cost of public spending, a point which will be underlined by the appearance of the Public Expenditure White Paper a week or so before the Budget. It is to be hoped that this will be the last time that the two documents appear separately. For to consider expenditure and revenue in separate compartments and in different kinds of money is a kind of crassness only the British would attempt. Meanwhile, no-one is going to think that he pays less tax than he does because of slight variations in the labels under which he pays it.

The purely political—or "envy"—taxes on higher earned incomes, which could be cut at negligible cost to the revenue, were slashed in Sir Geoffrey Howe's first Budget when he reduced top earned income rate to 60 per cent. All that remains is to provide for a normal adjustment of the thresholds in line with inflation on Rooker-Wise lines. Otherwise Sir Geoffrey's incentives at the top will go the way of Lord Barber's—which were eroded by inflation far more than by Mr. Healey—and could only be restored at the cost of a major political row.

The one way of reducing tax rates for the great majority of people without cutting expenditure would be to broaden the tax base. This would involve a phased reduction, for instance, in tax concessions for mortgage

payments, pension funds, and life assurance in return for a lower basic rate. A policy of low rates and no exemptions is especially appealing as an all-round deal, at a time when council rents are to go up as a result of the new public spending cuts. But there is still no sign that Mrs. Thatcher is any more attracted by such a package than when she rebuked an adviser, Prof. Douglas Hague, for suggesting it at a Financial Times conference last summer.

With anything really imaginative either ruled out, or a long way off, there is very little to be gained from the normal shuffling around between a penny on or off beer, tobacco, or the basic rate of income tax. A simple formula adjustment of the whole structure would save time and energy for more important things.

## Uncertainty

Nor is there any great mystery in the Budget judgment, which nowadays means the size of the Public Sector Borrowing Requirement. The return in this financial year looks like being at least £9bn. To reduce it below that amount next year would be too painful politically. To budget for a PSBR of £10bn or above would be too risky financially. Growth need not waste time discussing "nine point what?"—although it is an error to conclude from the uncertainty that one should go for the top end of the range. Rather more important will be the need for a section of the Financial Statements giving a reasoned justification of the £9bn.

What is clear is that without public spending for tax changes next year would be too high—at least £11bn. The economic forecasts, for all the

force "integrity" with which they are carried out, embody a definite view of how the economy works incompatible with the Government's strategy. The forecasters' most probable contribution will be to push even higher the borrowing estimate as they now expect a bigger recession with a greater fall in output than they did last autumn or than most outside bodies do today.

The most likely forces acting in the other direction are a spillover into 1980-81 of VAT revenues due this year, and an increase in the estimate of the Government's tax take from North Sea Oil.

But even assuming that trouble can be avoided from the side of the forecasts, the latest expenditure cuts will not do the trick. With the known contribution of £350m from the EEC, they are worth just over £1bn. The Chancellor will be highly dependent on asset sales, above the £1bn already announced, such as a hoped for £700m from the sale of BNO equity to the public.

There is also the reform of "capital" taxes to which the Government is pledged, which is bound to cost the Chancellor something. These taxes are estimated to yield nearly £2bn in 1979-80. Of this over £200m comes from the investment surcharge, £550m from stamp duty, just under £300m from the personal gains tax, an almost comparable figure from corporate gains, and £400m from transfer tax. Relaxation in these areas would have their main effects after the end of the next financial year.

It would be wise to allow some £100m to £200m for concessions here in the next financial year—and more for the year after. Taking public spending, asset sales and other adjustments

## BUDGET "BUILDING BLOCKS"

Full year effects on 1979-80 basis

	Effect on Revenue £bn
Net raising tax thresholds by 17-18 per cent in line with inflation	-2.0
Net raising specific duties in line with inflation	-1.2
Abolition of 25p reduced rate band	-0.6
Reduction of 1p in basic rate	-0.5
Gain from cutting real value of child benefit by keeping it at £4 instead of £4.7	+0.4
Increase in VAT of 1 per cent	+0.7
Abolition of investment income surcharge	-0.2
Abolition of Personal Capital Gains Tax	-0.4
Abolition of Stamp Duty	-0.6
Abolition of Capital Transfer Tax	-0.4
Backdoor public spending cuts, via cash limits	+0.5 to +1.0
Sale of assets: BNO equity and other	+0.7 to +1.0

Note: The neutral position is assumed to involve adjustments in line with inflation. Doing less or more than this is counted as a policy change.

together, it will be touch and go whether Sir Geoffrey announces a real increase or decrease in the real tax burdens. His main hope is to get up to £1bn more of public expenditure by the backdoor device, pioneered by Mr. Joel Barnett, of fixing cash limits slightly below the expected increase in the cost of government services.

The Treasury obviously has to prepare a broadly self-balancing package, which can either be added to, or subtracted from, at the last moment. Revenue projections are nowadays made on the assumption that specific duties, income-tax allowances and thresholds are all adjusted upwards in line with inflation. The Revenue Departments prefer to use the word "valorisation" for this rather than the more popular term indexation.

If the Chancellor refrained from valorising the income tax thresholds that is increasing them by 17 to 18 per cent in

line with last year's inflation—he would gain over £2bn. He could also gain £500m by abolishing the £750 reduced rate band of 25 per cent (a band forced on Mr. Healey in 1978 by the TUC via Mr. Callaghan). This would finance a reduction of just over 1p in the basic rate—although the tradeoff would be an unwise one, particularly this year.

Valorising the specific duties would involve 6p on a packet of cigarettes, 11p on a pint of beer as well as 17 to 18 per cent increases in the petrol, tobacco, drink, gaming and vehicle licence duties. A decision not to valorise these duties would cost the Chancellor £1.2bn. Yet the arguments for such a decision are quite strong. The effect on the Retail Price Index from the upward adjustment is estimated at over 1.1 per cent. These are surely increases he could do without, on top of the

inescapable increases in some nationalised industry charges and world energy prices.

The key to this Government's strategy (or any other remotely plausible strategy) is to achieve a reduction in inflationary expectations. The attainment of current monetary objectives will not do it alone. Nor will the publication of a medium-term financial framework, indispensable though that is: nor a directive to the Bank of England forbidding it to issue long-term securities committing the Government to pay 15 per cent interest well into the 21st century. Nor will a decision to refrain from valorising beer and tobacco and similar duties by the full amount. But all these things together would certainly help to change expectations in a way that none could do on their own. Together they would give the Chancellor the best possible opportunity to take advantage from any turnaround in world commodity prices—which could still occur once it is clear that President Carter's rearmament bark is worse than his bite.

The natural combination would be to refrain from valorising both the tax thresholds and the specific duties by the full inflation amount. How can I as an advocate of indexation suggest this? There is no problem at all. Much of the argument about indexation is semantic. The wrong kind of indexation is that which implies that everyone is entitled to have his real wage, benefit level, tax allowance and so on guaranteed in perpetuity; which is impossible this side of utopia. The right kind of indexation means just honesty. That is that one should recognise the existence of inflation and be honest about real changes. The original Rooker-Wise amendments in the 1977

Finance Act which provided for the indexation of the personal allowances, were amended by Mr. Nigel Lawson, the present Financial Secretary, to allow the Chancellor to raise allowances by less than the inflation rate, provided he carries a Resolution in the Commons saying what he is doing.

A sensible package would be to invoke this provision to increase both the allowances and the specific duties by less than the inflation rate. By how much less? This is a question which cannot be divorced from the decision about social benefits, made but not yet disclosed, in the public expenditure review.

## Poll pledge

Total social security payments in 1979-80 amount to nearly £19bn. Nearly £9bn is accounted for by pensions, the full indexation of which is covered by election pledges. Other benefits such as widows', industrial disablement or war pensions have only to be named to show the political impossibility of real reductions. The main areas where action is possible are unemployment and sickness benefits costing nearly £11bn, supplementary benefits costing £2.2bn, and child benefit, costing £2.8bn. The first two are tied to the RPI at present; the last is not. So curbs in the first two only count as expenditure cuts. As these would not take effect before November, changes would bring their main benefit to the Exchequer in 1981-2—another illustration of the absurdity of planning expenditure four or five years ahead, and taxes for only one.

The wise thing would be to tie the changes in tax allow-

ances and specific duties to what is done on social security. The range of inflation estimates is around 14 to 18 per cent depending on whether one looks forward or backwards and with what degree of pessimism. Let us suppose that nominal benefits are increased by half of this—say 7 to 9 per cent. It would be reasonable then to apply the same percentage to the rise in the specific duties and the personal allowances and not hide the fact that they have been cut in real terms. This would have the great advantage of distinguishing between indexation as a measuring rod in times of inflation and the untenable notion of real value guarantees. By focussing adjustments on a single digit figure not too different from the money supply target it might help to get that target into the minds of people who do not follow financial policy and who are obsessed by a totally unrealistic "going rate" for wages.

A package on these lines would just about balance. By the abolition of the reduced rate band on top of it would be provocative when real benefits and thresholds were being cut. If anything is over, I can think of better causes to which to devote it than the 1p or 2p off the basic rate—a lower PSBR, for example.

If you don't like any of the options, blame the absurd system for deciding public spending first and effective tax rates afterwards. Without such a framework spending cuts will mostly be inadequate, but sometimes panky and ill-judged, and on occasion all these things together.

Samuel Brittan

## Letters to the Editor

### Pecking order

From the Chairman, Minstrel  
Sir—Trades' unionism, like most other human institutions, arose because there was a need for it.

The original desperate need, has long since disappeared with the advent of a more liberal style of management; that is not to say there is no continuing need for trades unions. I for one wish the movement well and would like to see stronger unions, not weaker ones.

The fact is however that very little of the "industrial action" news which fills our papers and TV screens, and which does so much damage to ourselves at home and abroad has anything whatsoever to do with grass roots trades unionism. It is almost entirely due to a desire (not at all unnatural) to maintain or improve the pecking order.

My experience of life is that usually if you remove the splinter, the pain goes away; and it seems to me that it might be far more profitable for all concerned to concentrate on the elimination of the cause of a lot of current irritation rather than prescribe surgery or bleeding.

In the 1960s under Sir John Mallabar, I ran all Ruston and Hornsby's manufacturing operations in Lincoln, before that wonderful firm was absorbed first by English Electric and later by GEC. During my years in Lincoln I cannot recall that we ever lost an hour due to pay system disputes; and that was over five very large factories with widely differing end products and a multiplicity of different trade unions. The reason was simple—and I take no credit for it. We had a first class job evaluation system, run by a joint management-trade union committee.

When I left Ruston's to take on the job of Upper Clyde production director, it was with the full knowledge that the yards were more in ruins due to leap-frogging pay claims than to out of date equipment. A major element in our recovery plan was to for ever end the rivalry between the boiler-makers and the finishing trades by the institution of a job evaluated basic wage system. We were frustrated in our aims by a combination of politicians and boiler-makers.

Since those days, however, I have had ample opportunity to further consolidate my Ruston experience, and I cannot see why the existing relativities board could not or should not be expanded into a full blown job evaluation committee run jointly by the CBI and the TUC.

A listing of jobs by category with points score could be published quarterly in your own pages; from high court judges to crossing sweepers; and I wager there would be one or two red faces as a result. There would be no need for steel workers' strikes; either the pecking order list would indicate that the steel workers were entitled to more or it would not. Members of unions which complied with the published job evaluation system would be entitled to social security benefits when on strike; those which did not would be penalised.

I am well aware that the solution is not quite so simple as that; but the sense of direction I am sure is right, and it could be done if the will were there. And there are enough highly respected trades union officials around—such as Frank Chapple—to know that it could and should be done.

J. R. Duff  
Blue Gables,  
Leven Road,  
Coltishburgh, Fife.

### Some striking attitudes

From Mr. T. Vernon-Harcourt.  
Sir—The anger and frustration of the Haddfield's board in finding themselves involved in an industrial dispute not directly related to their own business is wholly understandable. Their desire to protect the interests of their workforce and shareholders is laudable.

It is, however, ever acceptable to propose to break the law and refuse payments due to a government department? Would the Haddfield's management expect their workforce to observe any new legislation which outlawed secondary picketing?

Is there to be one rule for management and another for trade unions?  
Tony Vernon-Harcourt,  
Hornby Farm, Debdon Green,  
Saffron Walden, Essex.

### Small craft foundries

From the Chairman,  
Foundries Economic Development Committee

Sir—Dr. Hitchens' letter (February 5) on our recent report—"Small craft foundries: their present role and future prospects"—makes the fundamental mistake of assuming that the results of his survey can be compared to the foundries economic development committee's study, which was carried out by its small craft working party. His survey consisted of a questionnaire sent out to the ironfoundry industry in 1972; and although in 1978 the working party also used a questionnaire to establish certain facts about the size of the craft foundry sector, the results were used in conjunction with detailed analysis of 12 individual foundries by independent consultants, and supplemented by extensive discussions with craft casting customers.

It was on the basis of all three sources of information that the working party developed its conclusions on the strategic importance of small craft foundries (including tied foundries) in providing the engineering industry with the skill intensive one-off and small batch castings which larger foundries no longer retain the ability or inclination to produce. All these sources of information also demonstrated that small craft foundries' ability to fulfil their role depended partly on their established local relationships with customers, but mainly on the retention of traditional moulder-craftsmen skills; and that the survival of the sector was threatened by severe financial problems. A particular cause for concern

was the necessity for obligatory investment, which confronts small foundries with enormous, non-productive expenditure at a time when profits have been severely squeezed by the intense price competition in the industry.

The report therefore makes a whole range of recommendations, most of which are directed at foundrymen themselves on methods of increasing profitability by improving their commercial skills and reducing their production costs; but, as Dr. Hitchens points out, we have also asked the Inland Revenue to consider the merits of introducing a capital loan scheme. This would give small foundries (and indeed, other small manufacturing companies) a first year loan for capital expenditure, thus providing the company with the benefit of "front end loading" in its cash flow which the existing capital allowance scheme would not effectively provide for companies with little or no taxable profits during the early years following major capital investment. The loan would be paid back annually out of profits and thus encourage investment in the investment necessary for survival.

We are not therefore seeking "special measures" . . . on uncertain evidence of a need for a local supply," as Dr. Hitchens suggests, but putting forward constructive proposals on methods of helping a vital sector of our industry to survive.

T. S. Kilpatrick,  
National Economic Development Office,  
Millbank Tower,  
Millbank, SW1.

### Local castings service

From Mr. L. Hall.  
Sir—Purchasers of engineering castings welcomed Government's concern about the predicament of the foundry industry in general, and about the constraints upon companies in engineering caused by difficulties in obtaining sufficient short-production run iron castings when business takes an upturn.

The recent NEDO report on small craft foundries adds further weight to the importance of iron castings to engineering industry, and emphasises the vital role played by those foundries which provide a strong local service.

Dr. D. Hitchens (February 5) casts doubt upon the evidence in the NEDO report which stresses the need to maintain local supply facilities. Data and statistics can be made to show almost anything, but notwithstanding the possible fractional discrepancy in the proportion of foundries delivering within a radius of 50 miles, the ability to purchase small-batch quantities of iron castings from local sources is crucial to every engineering manufacturer.

Dr. Hitchens' estimate of only about one-tenth of engineering castings being supplied by small independent foundries belies the importance of their contribution, and his 1972 report might well have produced some different conclusions had it been compiled only a few years later.

Some 200 UK foundries have closed since 1972, (many small craft foundries), and quite apart from this drastic reduction in overall sources of supply, the loss of local service where close liaison is often vital, has been very damaging.

Purchasers know only too well that the large automated foundries cannot be expected to break off from long-production runs to produce commercially-unattractive quantities, and in the last economic upturn, such items of castings had to be produced from places like Spain and Portugal.

Leslie V. Hall,  
Richmond House,  
34 Almondsbury Close,  
Huddersfield, Yorks.

### Product liability

From the Deputy Chairman,  
Association of Insurance and Risk Managers in Industry and Commerce

Sir—Recent debate on product liability in your columns seems to miss the fundamental distortion on which the EEC draft directive is based.

Its authors claim that it is intended to ensure fair competition within member states of the Community. They need to make this claim so as to provide themselves under the Treaty of Rome with a peg on which to hang their entitlement to prepare a directive on this subject.

In practice, the draft directive is not a mechanism to regulate fair competition—it is an item of consumer-orientated compensatory social legislation. It creates a new class of unfortunate—those who sustain product-related injury—and singles them out for compensation not available to other unfortunate (e.g. those who suffer domestic accidents, are injured from birth, etc.) whose economic needs may well be equally great.

A more honest approach to protection of all unfortunate would be for the state to provide financial compensation for them, and to be subordinated to the rights of such individuals against any person whose negligence or breach of statutory duty was the proximate cause of the injury for which compensation was being paid.

It may be argued that member states cannot afford such a generous social policy. It should, however, not be forgotten that national wealth is ultimately produced by industry and commerce, and it is they that will be saddled with the financial burden (and consequent national wealth depletion) if the draft directive on product liability is accepted in its present form.

If member states genuinely cannot afford to compensate their unfortunate they should be honest enough to say so, and they should reject the draft directive rather than effect a nominal transfer of the burden to the industrial manufacturer. If current law in any state does not, in the opinion of the Government of that state, provide adequate recourse for the victims of product-related injury there is ample mechanism for individual national improvement without the necessity for the acceptance of this ill-founded, specious and impractical directive.

A. P. Benson,  
Group Risk Manager's Department,  
Arthur Guinness Son and Co.,  
24 Upper Brook Street, W.I.

## Today's Events

GENERAL  
UK: Electricity supply pay talks.

Dr. Tony Keable-Elliott, chairman of the British Medical Association, general medical services committee, meets Dr. Gerard Vaughan, Health Minister, in discussions expected to include proposed BMA plan for patients to pay National Health Service doctors for some non-urgent treatment.

Sir Cyril Pitts, British and South Asia Trade Association chairman, talks to the Birmingham Chamber of Commerce on trade and investment opportunities for British industry in India.

Publication of Universities

Central Council on Admissions report for 1978-79.

Thanksgiving Service for Joyce Grenfell, Westminster Abbey, 4 pm.

Sir Peter Gadsden Lord Mayor of London, presides at Court of Common Council, Guildhall.

Duke of Edinburgh visiting safety vessel MSV Tharos near Sea Piper Platform in the North Sea.

Overseas: Second day of official visit by M. Jean Francois-Poncet, French Foreign Minister, to Yugoslavia.

Mr. Hamish Gray, UK Minister

of State for Energy, attending Energy Policy Foundation of Norway.

Second and last day of Socialist International meeting, Vienna.

PARLIAMENTARY BUSINESS  
House of Commons: Industry Bill, remaining stages.

House of Lords: Slaughter of Animals (Scotland) Bill (consolidation measure). Protection of Trading Interests Bill, committee stage. Prayer to annul rules of the Supreme Court (Write and Appearance) 1979. Criminal Justice (Amendment) Bill.

COMPANY RESULTS  
Final dividends: Plastic Constructions, Scottish Agricultural Industries. Interim dividend: M. L. Holdings. Interim figures: Mountleigh Group.

## OFFICIAL STATISTICS

Provisional figures of vehicle production (January).

COMPANY MEETINGS  
Akroyd and Smithers, 2-6, Austin Freres, EC, 12.30. Arthur Guinness, Park Royal Brewery, NW, 2.45. Hawkins and Tinson, Grosvenor House Hotel, W, 5.30.

Murray Minor Investment Trust, 8, Crosby Square, London, 4. North Midland Construction, Daybrook, Nottingham, 12. Trans Oceanic Trust, 120, Cheapside, EC, 10.30.

COMPANY RESULTS  
Final dividends: Plastic Constructions, Scottish Agricultural Industries. Interim dividend: M. L. Holdings. Interim figures: Mountleigh Group.

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## Dowty growth slower than hoped as home sales slip

FIRST HALF performance by Dowty Group was held below expected levels by the national engineering strike. Even so taxable profit for the six months to September 30, 1979, advanced £2.7m to £17.39m and further improvement is anticipated by the company at full time.

A downturn in home sales from £75.8m to £66.6m, caused largely by reduced demand for mining equipment, was more than offset by the mining division's exports, particularly to China, and higher overseas sales by the aerospace and defence divisions.

As a result of overseas and export turnover soaring from £75.8m to £82.6m total sales reached £149.3m (£111.1m). With trading profit £2.57m ahead of £17.34m this meant

trading margins dipped to 11.5 per cent (12.9 per cent).

Sir Robert Hunt, the chairman, says the group's order position is satisfactory and still increasing, particularly for aerospace and electronic products. "Providing there are no further interruptions to normal working some recovery of the delayed sales will be achieved in the second half year."

Looking ahead, he says: growth is still anticipated with the accent on opportunities in aerospace and defence. Pressure on margins is unlikely to abate, particularly in overseas markets, as a result of high domestic inflation and the strength of sterling.

Dowty is maintaining capital investment at a high level but

existing financial resources are sufficient to meet the known requirements, Sir Robert points out.

Tax for the first half, with the deferred element treated in line with SSAP 15, took £6.19m (£4.63m) leaving stated earnings per 50p share 1.1p better at 8.3p on capital increased by scrip issue.

The net interim dividend is effectively stepped up to 2p (1.25p) and costs £2.7m (£1.66m). Last time a final equivalent to 2.5p was paid from record pre-tax profit of £31.15m.

The mid-year pre-tax total was enhanced by interest income of £197,000, compared with a £244,000 debit. Retained profit came out at £5.31m (£7.93m).

See Lex

### HIGHLIGHTS

Lex looks at the half-time figures from Dowty, showing a pre-tax profits rise of 23 per cent to £17.4m despite the impact of the engineering strike. Lex also examines the results from United Dominions Trust which, burdened by high interest rates, announced lower half-time profits. Lex also looks at the market in Consolidated Gold Fields' shares, where the mystery buyer still seems to be busy. On the inside pages stock jobber Smith Brothers reveals a pre-tax loss of over £1m and Mining Supplies shows a slump in profits from £1.22m to £551,000, though there is some indication of a recovery under way.

## £0.5m loss at Smith Bros.

THERE WAS a pre-tax loss of £22,000 at Smith Bros. London jobber, in the six months to November 2, 1979, and the interim dividend is being omitted.

Last time, there was a first-half profit of £222,510, which was followed by a dive to £60,390 in the second six months. This left the full-year taxable surplus at £253,000, against £1.15m.

The directors say that, as indicated in the last annual report, the company failed to make up in the second quarter all the ground lost in the first three months, despite a partial recovery.

However, during the third quarter there have been very active trading conditions in the markets in which the company specialises, and the first half loss has been more than regained.

They say it is difficult to forecast profitability for the last quarter, but they hope the full-year results will be satisfactory. Dividend policy will be considered in the light of the outcome for the year, they add. Last time there was an interim of 1.5p, followed by a nominal final of 0.1p.

After a tax credit of £260,000 (£125,000 charge), the net loss for the half-year amounted to £262,000, compared with a profit of £97,610.

### comment

Smith Bros. made no secret of its problems in the first quarter of the year, and interim losses are no great surprise. The third quarter has been very much more profitable, especially in gold shares (a Smith speciality) and other international business has done better too. The fledgling U.S. operation is no longer a drag on profits, and Smith might benefit from the new rules for international dealing which were announced on Tuesday. Despite the disappearance of the interim dividend, there is a S. operation is no longer a drag on profits, and Smith might benefit from the new rules for international dealing which were announced on Tuesday. Despite the disappearance of the interim dividend, there is a S. operation is no longer a drag on profits, and Smith might benefit from the new rules for international dealing which were announced on Tuesday.

and that the final dividend will give a reasonable yield on the shares at 32p.

## Benn Bros. £488,000 halftime

PRE-TAX profits of Benn Brothers, publisher of business journals and directories, increased by £118,000 to £488,000 from turnover up from £4.17m to £5.81m in the six months to December 31, 1979.

The interim dividend is increased from 0.9p to 1.1p—last year's total was 3p, from pre-tax profits of £1.13m. Stated earnings per 25p share are 2.9p against 2.3p.

Commenting on the half-yearly figures, Mr. Richard Woolley, the chairman, says business journals have made an increased contribution despite uncertain economic conditions, but book publishing activities have been subject to difficulties affecting the book trade in the UK and overseas markets.

Results of the group's book companies, therefore, show a decrease against the corresponding period last year. Profit on further disposal of Combe's houses is included in the results. As part of a vigorous sales effort to counter adverse conditions in book publishing, book distribution for W. W. Norton Incorporated, the American publisher, is being handled in the UK and Europe from this month.

Although market conditions are now harsher than last autumn, Mr. Woolley feels that, subject to factors outside its control, the group is well-placed to maintain the momentum of the first half. Estimated tax for the period under review is £264,000 (£192,000), leaving the net profit at £224,000 (£178,000). Retained profit is up from £96,000 to £118,000.

## Strikes halve Mining Supplies at mid year

DEPRESSED by the effects of the national engineering dispute, taxable profits of Mining Supplies were more than halved in the six months to October 27, 1979, falling from £1.22m to £551,000.

At present a healthy order book and a substantially increased rate of turnover compared to the first half indicates a recovery, state the directors. But because of the steelstrike and other factors, they feel it is impracticable to predict the outcome for the year. They add that export orders are showing an encouraging increase which should continue.

For the last full year, profits were £2.27m (£1.84m)—a slight reduction in the second half resulting from a temporary fall in the level of National Coal Board business, increased pressure on margins, industrial disruption and bad weather. There was a single dividend for the year of 1p.

The six months' surplus is struck after depreciation of £29,000 (£277,000). After lower tax of £281,000 (£384,000), the net profit emerges at £270,000 (£397,000). Turnover was virtually static at £10.02m (£9.78m). Comparative figures have been restated following the adoption of SSAP 15.

The group has taken a firm loan at 11 per cent over seven years from the European Coal and Steel Community which the directors believe will help further developments within the UK and ensure a firmer financial base during a period of high interest rates.

## Bonus from Pyramid Group

Shareholders in Pyramid Group (Publishers) are to receive a special dividend of 3.5p on April 1 following the discovery that the company has had "close" status since 1976.

The company said that information had come to its notice relating to the ownership of a certain shareholding in the company, not connected with the directors and their associates. As a result it was apparent that the company had been "close" since late 1976.

At February 14 1979 a company called Goldheath was shown to have increased its stake in the company from 9.63 per cent to 20.38 per cent.

The implication for the new found status is that the distribution of dividends for recent years has been at lower levels than required under "close" company provisions. The Inland Revenue has confirmed that it is in agreement

### DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Current dividend	Total last year
Benn Bros.	int.	1.1	April 8 0.9	—	3
Dowty	int.	2	March 31 1.25	—	3.75
English & NY Trust	2.11	April 17 1.75	3.6	3	
Palabora Mining	50p	March 18 27.5	125	70	
Smith Bros.	int.	Nil	—	1.5	1.6
Sterling Trust	5.6	April 9 4.1	9.1	6.3	
Williamson Tea Hldgs.	7.5	April 1 12.5	12.5	12.5	

Dividends shown pence pence are net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus 0.4p non-recurring dividend. § For 18 months. ¶ South African cents throughout.

In addition, subsidiary American Longwall Mining Corporation has borrowed £3m at 7½ per cent over 20 years for capital investment. A contract has been placed to build a new factory and offices on the group's 23-acre freehold site in Abingdon, Virginia, the first stage of which should be completed by midsummer.

comment

For a supposed growth stock, trading on an historic p/e approaching 15, Mining Supplies is hardly showing its paces. After a disappointing second half last year, interim profits are roughly halved this time, for what, by now, are very familiar reasons in the engineering industry. What, then, to make of a group with a powerful order book and extensive export potential? The immediate profits outlook is obviously blurred by the steel strike but some idea of the

underlying confidence of the coal extraction industry was given last autumn by Anderson Strathclyde's forecast of maintained annual profits, despite an abysmal first half year. The low coupons available on the U.K. 20 year loan and the ECSC arm debt provide a firm base from which to exploit a growing world market and there is a strong case for believing that the share price despite a 6p fall to 78p yesterday, can live with the demanding multiple and—in the long run—earnings.

Shareholders in Pyramid Group (Publishers) are to receive a special dividend of 3.5p on April 1 following the discovery that the company has had "close" status since 1976.

The company said that information had come to its notice relating to the ownership of a certain shareholding in the company, not connected with the directors and their associates. As a result it was apparent that the company had been "close" since late 1976.

At February 14 1979 a company called Goldheath was shown to have increased its stake in the company from 9.63 per cent to 20.38 per cent.

The implication for the new found status is that the distribution of dividends for recent years has been at lower levels than required under "close" company provisions. The Inland Revenue has confirmed that it is in agreement

## BMCT query answered in Commons

IN A Commons written reply concerning the accounts of Birmingham and Midland Counties Trust, Mr. Graham Ferguson Lacey's private investment company, Mr. Reginald Ayre, a junior minister at the Department of Trade, said yesterday that the company filed its annual returns up to December 12, 1980, on February 27 last year, and the accounts up to

## Single profit boosted by cash and carry side

REFLECTING the first contribution from Norman's cash and carry business, acquired last spring, Single Holdings achieved a pre-tax profit of £564,818 for the six months to September 30, 1979, compared with £95,033 for the previous 12 months. Turnover rose sharply to £16.25m, against £7.2m in the last full year.

Norman's, which contributed £460,193 to group trading profits of £800,565, traded at a very satisfactory level and enjoyed a buoyant Christmas period. The new branch at Highbridge near Weston-Super-Mare will open in spring, 1980 and a major development programme is in progress at the Launceston branch in Cornwall.

Stated earnings per 10p share were 1.22p for the six months, compared with a 4.04p loss in the 1978-79 full year. An interim dividend of 0.522p net has already been paid in respect of the current year and a further 0.775p has been projected—last time a single 0.5p interim was paid.

Indian tea companies profits reached £372,500 (£367,068 for 12 months) while Aldi contributed £55,700 (£54,792). These results reflect half the anticipated profit for the year in respect of India and half the expected profits for nine months in respect of Malawi, which is in the course of changing its year-end.

The prices of tea sold in Calcutta have improved in the cur-

rent year and the Indian results show an improving trend. However, no remittances have been received from India since January, 1979.

As announced last month, a conditional agreement has been reached with Caparo Group for the sale of the Indian tea estates, including loan and dividend payments due to the UK, for £1.5m payable in London.

	8 months 1978-79	12 months 1978-79
Turnover	16,248,518	7,209,710
UK	14,616,378	3,552,086
Indian tea cos.	1,512,884	2,846,456
Trading profits	118,346	411,158
Norman's	460,193	365,591
Indian tea cos.	372,500	367,068
Malawi tea cos.	35,700	54,792
Soft drinks	10,220	112,762
Giftware	9,285	135,895
Food processing and retailing	196,239	157,652
Head office exps.	219,393	217,836
Exchange deficit	18,454	42,882
Profit before tax	564,818	95,033
Tax	290,600	329,812
Attributable profit	274,218	148,145
From capital res.	—	9,728
Preli. dividends	14,000	65,722
Ord. dividends	95,000	39,576
Retained profit	131,418	150,637

The performance of the soft drinks business has been disappointing, the directors state, and efforts are being made further to improve its results particularly at Stoke-on-Trent and Merbury Tydal.

In the giftware division, Barnum's continued to trade

## Sterling Trust pays 9.1p

THE NET total dividend of Sterling Trust is being stepped up from 6.3p to 9.1p for 1979, with a final of 5.6p. The total includes a special interim of 1p already paid.

Gross income improved from £2m to £2.58m. After tax of £750,000 (£552,000), the attributable balance came through ahead from £1.03m to £1.48m. Stated earnings per 25p share are up from 6.71p to 9.32p. Net asset value is given as 22.5p (23.9p), or 22.1p (23.5p) fully diluted.

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HOTEL	LOCATION	TELEPHONE	NUMBER OF ROOMS	SINGLE ROOM RATE
Hyde Park	Knightsbridge	01-235 2000	182	£60.00
Grosvenor House	Park Lane	01-499 6363	478	£59.00
Cavendish	Jermyn Street	01-930 2111	255	£50.00
Brown's	Albemarle Street	01-493 6020	127	£48.00
Quaglin's	St. James's	01-930 6767	41	£47.00
Westbury	New Bond Street	01-629 7755	254	£42.00
St. George's	Langham Place	01-580 0111	85	£40.00
Waldorf	Aldwych	01-836 2400	310	£40.00
Cumberland	Marble Arch	01-262 1234	894	£35.15
Excelsior	Heathrow	01-759 6611	662	£29.50
Russell	Russell Square	01-837 6470	318	£26.00
Strand Palace	Strand	01-836 8080	778	£25.50
White's	Lancaster Gate	01-262 2711	59	£25.50
Kensington Close	Kensington	01-937 8170	530	£23.50
Post House	Bayswater Road	01-262 4461	175	£23.50
Ariel	Heathrow	01-759 2552	175	£23.50
Post House	Heathrow	01-759 2323	594	£23.50
Skyway	Heathrow	01-759 6311	445	£23.50
Barkston	Earls Court	01-373 7851	71	£23.00
Park Court	Lancaster Gate	01-402 4272	420	£21.50
Post House	Hampstead	01-794 8121	140	£21.00
Kingsley	Bloomsbury Way	01-242 5881	176	£18.50
Windsor	Lancaster Gate	01-262 4501	93	£18.25
Regent Palace	Piccadilly Circus	01-734 7000	1068	£16.00
Travelodge	NW7, M1 Motorway	01-906 0611	100	£1.50



## Companies and Markets

## UK COMPANY NEWS

# UDT falls by £0.6m in difficult first half

AGAINST a difficult trading background, affected by exceptionally high money costs, pre-tax profits of United Domestics Trust, the international finance and industrial services group, fell marginally from £3.5m to £2.9m for the half year to December 31, 1979. After all charges, the retained surplus emerged higher at £5.3m, compared with £5.8m.

For the half year took £1.4m against £1.3m and minority interest accounted for £0.3m (£0.3m). There were extraordinary credits of £0.1m (£1.3m debits) and preference dividends again absorbed £1.1m. No ordinary payments have been made since 1974.

Mr. L. C. Mather, the chairman, says the inevitable fall in profits from the last year is due to the fact that the group's performance has been offset by the marked improvement in earnings of the group's International Commodities Clearing House and industrial services companies, which demonstrates the benefits of the widespread nature of the business.

Future prospects depend upon the speed and extent of a reduction to the present MLR, he states. The group is also awaiting the clarification of its position under the Banking Act in response to its application.

For the year ended June 30, 1979, taxable profits reached £39.1m.

Dependence on the banking support group for funds has declined further during the last six months from £60m to less

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are intended or the sub-divisions shown below are based mainly on last year's timetable.

TODAY		
Intermarco—M. L. Holdings, William Ransom.	Feb. 7	
Finale—Beaumont Properties, Drayton Commercial Investment, Drayton Far Eastern Trust, Plastic Construction, Scottish Agricultural Industries.	Feb. 7	
FUTURE DATES		
Hunt and Muscrop	Mar. 6	
Thorncliffe Securities, Growth Tst. Feb. 14		
Alcan Aluminium (UK)	Feb. 15	
Benetton	Feb. 20	
Croucher (Derby)	Mar. 7	
Ford (Mersey)	Feb. 12	
Transport Development	Mar. 13	
Turner and Newall	Mar. 12	
Continental Refractories	Feb. 28	

than £200m. On the funding side, the chairman comments that with the high rates obtaining during the half year, there has been an increasing inflow of deposits and the group's average rate scheme has proved popular.

Business has been brisk in the group's UK instalment credit section, despite the higher rates currently charged to customers and the marked increase in the cost of new and second-hand vehicles.

The flow of new business, aided by extended unit stocking

plans and an active field force, is satisfactory, Mr. Mather states, while collections have not suffered so far from general economic conditions and strikes.

With increased market activity and its benefit from higher rates, International Commodities Clearing House again made a good contribution to group profits, with excellent trading by its Australian branch. The introduction of new futures markets in London, including gold, is under exploration.

Further progress was recorded in the property lending portfolio where, in addition to continued improvement in recoveries, fresh accommodation has been granted to sound borrowers. As the lack of demand from exporters for the specialised services of UDT International Finance continues, trading results from this activity have deteriorated. Trading conditions abroad have reduced the contribution from overseas subsidiaries.

UDT Industries maintained its position at the highest individual contributor to group profits, with expansion in practically all operations. Motor distribution achieved record results, while Swan National consolidated its position with further increases in fleet size. Engineering activities suffered from various adverse circumstances, but construction and plant hire traded successfully with a healthy earnings rise.

See Lex

## Depressed year seen by Richards

THE CURRENT year at Richards would be very poor with profits at their lowest for a long time, Mr. A. R. Robertson, the chairman of the textile manufacturing concern, warned at the annual meeting.

But while this year would be unusually difficult, the future success of the company was not in doubt, members were told. Mr. Robertson blamed the decline on general economic conditions, the recession in the carpet industry and the shut-down of a plant as a result of a fatal accident.

In response to these conditions, the company had started a programme of rationalisation and a major capital investment programme to modernise and develop areas which had greater future potential, particularly the spinning of synthetic yarns.

Last month, reporting on pre-tax profits for the 1979-80 year of £305,000 (£205,000) the chairman forecast a considerably lower result this time. However, he saw no reason why the rate of dividend should not be maintained.

English & New York improves

WITH GROSS revenue ahead at £2,786,756, against £2,478,569, net earnings for ordinary holders of the English and New York Trust improved from £1,284,535 to £1,867,571 for 1979. Tax charge was up from £744,202 to £978,921, and earnings per 25p share rose by 0.96p to 4.19p.

The dividend total is raised from 3p to 3.6p net per 25p share, with a final 2.1p, and there is a special payment of 0.4p from non-recurring dividends received equal to 0.43p of earnings. A total of at least 3.6p is anticipated for the current year.

Net asset value per share, is shown at 98.9p (99.9p) or 98.6p (99.5p) fully diluted.

Rickmansworth underwriters left with 67%

The offer for sale by tender of £3m preference stock of Rickmansworth and Chisbridge Valley Water Company has been unsubscribed by two-thirds.

When subscriptions lists closed yesterday, applications were received for just over £982,000 of stock at an average price of 98.03 per cent. The minimum tender price was 98p per cent.

The underwriters are required to take up 67.25 per cent of the 9 per cent Redeemable Preference Stock 1985.

Dealings in the new stock begin today.

Carrington Inv. falls: lower payout likely

Rising interest rates reduced profits of Carrington Investments from £48,000 to £30,000 in the six months to September 30, 1979.

A subsequent increase in interest rates in November has led to a further reduction in profits in the current half, state the directors. They warn that the lower profits, combined with the fact that directors are not waiving their entitlement this year, is likely to result in a smaller dividend.

Last year, there was a single payment of 2.5p on total profits of £66,000 (£58,000).

There is a lower tax charge for the six months of £1,000 (£26,000). Capital profits on the sale of fixed assets and tax adjustments have resulted in a net surplus of £169,000 which, in accordance with the company's practice, will be passed through the profit and loss account as extraordinary items with a corresponding transfer being made to reserves.

Carrington operates as a property investment and investment holding company.

London & Gartmore

Gross revenue of London and Gartmore Investment Trust moved ahead to £135,025, against £98,517, net available earnings for the half year to December 31, 1979 improved from £13,894 to £19,949. An increased full year result is anticipated.

Not revenue was struck after debenture and loan interest up from £58,001 to £98,108 and tax of £10,032 (£3,700). Earnings per 50p share are stated at 0.469p, compared with 0.327p.

In the last full year, net revenue was £30,974 from which a single dividend of 0.75p was paid.

At the half year, net asset value per share is shown at 88.1p (91p at June 30, 1979).

SPAIN

February 6	Price	%
Banco Bilbao	213	+
Banco Central	224	+
Banco Exterior	261	+
Banco Hispano	261	+
Banco Ind. Cat.	138	+
Banco Madrid	173	+
Banco Santander	157	+
Banco Urquijo	220	+
Banco Vizcaya	220	+
Banco Zaragoza	200	+
Dragados	102	+
Espanola	62	+
Faces	56.2	-1
Gul. Precitados	63.5	-1
Industria	61	-0.5
Industria	116	+
Petroleos	116	+
Petrolium	112	+
Sagunto	55	-1
Telefonos	63.5	-0.2
Union Electric	63.5	-0.2

## First quarter pressure at ICL

PROFITS OF ICL, the computer group have come under pressure in the first quarter of the current year, warned Mr. T. C. Hudson, the chairman at yesterday's annual meeting.

The chairman said that orders and revenue have continued to grow overall, but at a lower rate, and overseas activities continued to feel the competitive pressures and the strength of sterling. Recent national and local production disruptions in the UK have also affected the profit adversely.

Mr. Hudson said that in all the circumstances he believed it was still premature to indicate the overall outcome for ICL in the current year, but he reaffirmed his confidence in the group's future.

The disposal by the NEB of its 25 per cent stake in the company was welcomed by the chairman as it further extended the base of UK shareholders. The NEB shares were spread among about 800 institutional and private investors, including some 400 new shareholders.

The closure of the group's works at Dukinfield, near Manchester by the end of the current year was confirmed by the chairman. At the request of the unions concerned a working party presented a report setting out alternative views to closure, but the company considered that they were not as practicable, in the interests of the whole company, as the intended course of action.

A shareholder asked why the accounts did not show what income came from computer equipment rentals. He felt that the group had a fundamental duty to holders to disclose this to put the company's investment status in the right light.

## Westminster Property in black but no payout yet

Though Westminster Property Group reports a recovery in profit for the whole of 1979-80, members will have to wait until the end of the current year for a return to dividends.

For the 12 months to September 30, 1979, the property investment and development company turned in a £155,244 profit. This compared with a £26,599 loss previously, and was achieved despite a near £103,000 jump in interest costs and an exceptional debit of £28,741, against £18,244 credit last time.

At half time the results, including that of the wholly owned subsidiary trading in

Portugal, showed the group surplus up from £12,000 to £32,000.

Stated earnings for the year per 20p share were 0.81p (loss 0.38p) but the Board has decided not to pay a dividend "bearing in mind the present economic conditions and the need to conserve cash."

The directors, however, anticipate a return to payments for 1979-80—the last distribution was an 0.67p final for 1978-79.

Profit was struck after interest up from £431,461 to £540,237. The net balance emerged at £100,244 after £39,000 (nil) tax. There was an extraordinary debit of £44,551 (credit £3,375).

Williamson Tea profits are halved

TAXABLE profits of Williamson Tea Holdings for the 18 months to June 30, 1979 were less than half those for the preceding year, at £3.4m against £7.64m.

Turnover was lower, too, at £28.58m compared to £27.12m. After tax of £2.07m (£5.35m), the net surplus is £1.33m (£2.3m), giving stated earnings per £1 share of 28.76p against 75.46p.

A final of 7.5p lifts the dividend for 18 months to 12.5p, equalising the single payment for the previous year.

DOORS HOLDINGS

Doors Holdings is to conclude its liquidation proceedings at a final meeting to be held on March 14. As known, the company says there is no possibility of returns being made to shareholders.

## Countryside Properties Limited

Property Developers and Housebuilders

Results for the year ended 30 September 1979

	1979	1978
	£000	£000
Turnover	12,005	12,877
Profit before taxation	1,307	805
Earnings per share	20.7p	9.3p
Dividend per share	3.5p	2.68p

Copies of the Annual Report and Accounts may be obtained from:

The Secretary  
Countryside Properties Limited  
Countryside House, 61-67 High Street  
Billencay, Essex CM12 9SH



Countryside Build

## M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB. Telephone: 01-621 1917

1979-80	1978-79	Company	Price	Change	Div (p)	Gross Yield %	P/E
89	73	Alairprung Ord.	73	—	6.7	9.2	4.31
59	38	Armitage and Rhodes	38	—	3.8	10.0	2.51
228	185	Bardon Hill	228	—	13.8	6.1	6.71
100	85	Civ Cars 10.7% Pref.	87	—	15.3	17.8	—
121	63	Deborah Ord.	88	—	5.0	5.7	2.7
363	147	Deborah 17% GULS	350	—	17.5	5.0	—
84	88	Frank Horall	94	—	7.9	8.4	5.8
129	100	Frederick Parker	107	—	12.8	12.0	8.31
146	105	George Bar	105	—	16.5	15.7	—
67	45	Jackson Group	50	—	5.2	8.7	3.51
153	114	James Burrough	114	—	7.2	8.3	10.0
232	175	Torday Limited	222	—	14.3	6.4	5.81
34	167	Twinkl Ord.	21	-0.4	0.8	4.0	4.01
87	70	Twinkl 12% ULS	76	—	12.0	15.8	—
59	23	Unicoll Holdings	61	—	2.6	5.1	10.6
84	42	Walter Alexander	81	—	4.4	5.4	5.4
150	138	W. S. Yeates	188	—	11.5	6.2	7.2

† Accounts prepared under provisions of SSAP 15.

## Northern Foods expects profit to show satisfactory increase

MOST OF the activities of Northern Foods are making good progress at the present time, despite high interest rates, says Mr. Nicholas Horsley, chairman, in his annual statement.

The inclusion of Bluebird Inc. from January will ensure that group profits and earnings per share will increase satisfactorily this year, he adds.

The group pre-tax surplus rose from £22.4m to £25.43m in the year to September 30, 1979, as reported on December 18. On a CCA basis, taxable profits were £21.2m (£19.02m).

Referring to Northern Dairies, Mr. Horsley says there are signs that the fall in national milk sales has been arrested and, provided a sensible pricing policy is adopted, he is confident of maintaining the service at existing levels.

The company is pledged to the continuation of doorstep delivery. To the end, two dairies in the Midlands are being re-equipped and one at Stoke is being closed in a rationalisation programme to improve service in this area.

The directors see encouraging growth prospects at Dale Farm Foods, while at Dale Farm Dairies the substantial investment and development programme being carried out in Ulster gives them cause for optimism about the current year.

Smith's Flour Mills' profitability is expected to improve quite substantially this year. Continued progress is seen for Park Cakes.

Disruptions caused by the building of an extension to the Bailey factory and the commissioning of new plant, together with continuing shortage of capacity, will cause first half profits to rise only slowly at Fox's Biscuits. But a considerable improvement is expected by the year-end.

Further growth is anticipated from both Golden Fougard and

Pork Farms. The accounts show that the actions against Bluebird will be vigorously defended. The actions involve a tender offer made by Bluebird last June to its holders to buy up to 756,000 common shares at \$10 each.

As this was less than the subsequent offer price of \$14.575 made by Northern Foods, four law suits have been started against Bluebird and two of its directors for damages generally in respect of the price difference. One further unqualified suit has also been filed against Bluebird and the company.

At the year-end, bank overdrafts totalled £20.64m (nil), and these are repayable on demand or within an year. Cash, bank and short-term investments amounted to £18.72m (£4.98m).

The directors revealed group properties on October 1, 1978, which resulted in a surplus of £35,033.

In their report, auditors Ernst & Whinney refer to the revaluation, which used indices. They say they are not qualified to express an expert opinion on the resulting valuation and therefore, on the revaluation surplus of both the company and the group.

Meeting, Willerby near Hull, on February 28 at 12.30 pm.

Parkdale and Legal & Gen. school plan

A new school fees plan offering lower premiums at the outset has been developed by Parkdale Management Services in conjunction with the Legal and General Assurance Society.

Under this scheme premiums start at a low level and increase over the first five years to double their initial value. The objective

is to avoid an initial financial strain for the investor, imposed by conventional plans with a high level premium. Under this scheme the premiums rise with the growth in the investor's earnings.

The plan consists of five with-profit endowment contracts from L and G based on the low-start concept, where premiums rise by one-fifth each year.

For example, a man aged 33 wishing to provide school fees of £3,000 a year starting in 10 years' time, would pay an initial monthly premium of £33.20 net of tax relief, rising to £66.40 after five years. Under a normal plan, the level premium would be £51.74 per month.

New division for Associated Leisure

A new division is being formed by Associated Leisure to co-ordinate the expansion of its non-amusement machine interests. It will become operational in March.

Called the hotels, holidays and entertainment division, it will be based in Warrington, Cheshire and will be responsible for Associated Leisure Hotels, The Berwick Holiday Centre, The Wish Holiday Centre at Sandown, Dreamland at Margate, The Lido at Clifftonville and the Birley Leisure Centre near Sheffield.

Mr. Norman Jones has been appointed managing director designate and Mr. D. H. Richardson, financial director designate of the division.

Mr. F. A. Hogsden has been appointed managing director designate of a new company which will be formed to co-ordinate and expand the activities of the group's amusement arcades, at present a part of Associated Leisure Entertainment. This company will be located at Burton-on-Trent where it will form part of the amusement machine division.

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Turnover  
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## MINING NEWS

## Western Mining has a strong first half

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S major nickel, gold and aluminium-producing group, Western Mining, announces a striking advance in half-year profits, thanks to higher metal prices, and is lifting its interim dividend to 7 cents (2.4p) from 2 cents; the total for the previous full year to last June was 7 cents.

Net profits for the 28 weeks to January 8 have bounced to AS29.6m (£14.3m) from AS8.04m a year ago; the latest figure includes a capital profit of AS5m on the sale to BP Australia of a 49 per cent interest in the huge Olympic Dam copper-uranium prospect in South Australia.

James Forth reports from Sydney that nickel sales in the first half fell by 16 per cent to 21,016 tonnes, but revenue from nickel and co-products rose by 36 per cent because of the higher prices received for nickel and cobalt while there was also an exchange gain.

Nickel prices charged by the major world producers remained firm throughout the period and were raised by 6 per cent towards the end. Western Mining will thus benefit in the current half year from a further 20 cents per lb increase in the selling price.

The price is currently around US\$3.25 per lb for cathodes and US\$3.20 for briquettes. In Melbourne yesterday, the Western Mining chairman, Sir Arvi Parbo, said that the group's lower production had helped to reduce its stocks—valued at AS93m at January 8—and that they are expected to be down to normal levels of a two to three months' supply by June.

The chairman added that final acceptance to Western Mining's AS210m bid for the BR South base-metal mining and investment group were expected to give Western Mining 70 to 75 per cent of the capital.

comment

Western Mining's comment that the demand for nickel remains

firm and is broadly in balance with supply while gold and aluminium markets remain strong, clearly indicates that the group is anticipating further profits growth in the second half, as does the sharply increased interim dividend. Even a trebled dividend total, however, would leave the shares yielding under 5 per cent at their current 230p, but this would still be a fair return on a stock of this calibre with its major long-term growth potential.

## Philippines gold mine

THE MAJOR copper producer in the Philippines, Atlas Consolidated Mining and Development, has started gold production at its Pesos 170m (£10.3m) open-pit Masbate mine in central Philippines, reports our Manila correspondent.

The company stated that its first gold pour took place on January 24 and that the mine would reach full capacity in March. Annual production is put at 90,000 ounces of gold and 88,000 ounces of silver. Ore reserves are estimated to contain about 200,000 ounces of gold and 600,000 ounces of silver.

The new mine is expected to increase the gross revenue of Atlas by Pesos 431m a year; this being based on assumed prices of \$800 per ounce for gold and \$35 per ounce for silver.

## Palabora earns and pays more

ANOTHER Rio Tinto-Zinc group member announces an advance in 1979 profits; this time the South African Palabora open-pit copper operation. Net profits have moved up to R45.2m (£24.2m) from R25.7m in 1978 and an increased final dividend of 50 cents (26.7p) makes a 1979

total of 125 cents against 70 cents.

This good performance has been achieved despite the need last year to replace mill shells. This major operation was completed in 58 days instead of the original estimate of 120 days, and the loss of copper production during the operation was thus limited to 2,400 tonnes against an earlier feared 5,000 tonnes.

Palabora's copper sales last year totalled 112,667 tonnes compared with 114,878 tonnes in 1978. But higher copper prices were received, the London Metal Exchange price having averaged some \$935 per tonne against \$710 in the previous year, while the mine's by-product precious metals will also have made an increased contribution.

Metal prices have since moved ahead—copper is now \$1,300 a tonne—and Palabora has thus made a good start to the current year. The shares were 25p up at 760p yesterday.

## Alcan says its smelter plans still stand

CANADA'S Alcan Aluminium says that its plans to triple capacity of its Kitimat B.C. aluminium smelter by 1985 to nearly 1m short tons will not be affected by the new energy policy issued in outline by the Bennett Government of British Columbia on Monday, reports our Montreal correspondent.

"The energy paper does not alter our intention to proceed with the project," Alcan said, "and the company fully expects to meet the stewardship objectives enunciated in the paper." The Provincial energy paper spelled out that all future development of hydro-electric power on British Columbia rivers would be carried out by the provincial agency, the British Columbia Hydro and Power Authority.

In 1950 the then provincial government granted water licenses to Alcan to develop the Kamano river near Kitimat as a source of a future smelter. Both the hydro project and the smelter were completed by the end of the 1950s at a cost of well over C\$500m (£188m).

Late last year Alcan said it had started full environmental studies for expansion step by step of the smelter and doubling the Kamano power capacity. There has been some local environmental opposition to the hydro expansion which would require an increased reservoir area.

NO PROBLEMS

The following mergers are not being referred to the Monopolies and Mergers Commission: Wheway Watson Holdings and

ROUNDED-UP

The Rio Tinto-Zinc group's Bougainville Copper yesterday asked the Melbourne Stock Exchange to issue an "announcement pending notice" in view of matters being considered, adding that a statement would be made today. Such notices are required in Australia when a company is about to issue a statement which may affect the share price. It was noted in the sharemarket that Bougainville's annual results are due and, thanks to higher copper and gold prices, earnings should show a sharp advance and might be accompanied by a scrip issue.

Canada's Rio Algom has said that the Supreme Court of Ontario has dismissed an application to prevent the company from carrying on business. The application was made by dissenting shareholders who opposed the now completed merger of Rio Algom and Preston Mines on the grounds that shareholders of Preston were not given sufficient information to enable them to make a decision on whether to approve the amalgamation.

Australia's Leichhardt Exploration which is searching for diamonds in southern Africa reports that further significant indicator mineral has been identified in a sample taken 22 km from the Aukam prospect in Namibia. Leichhardt says that a total of 250 out of 450 samples have been evaluated.

## BIDS AND DEALS

## Rockwell already holding discussions with Serck

BY RAY MAUGHAN

Rockwell International and Serck, the UK valve and heat transfer group, have already started discussions following the acquisition by Rockwell last Friday of a 29.7 per cent stake in Serck's equity.

The terms of the discussions are said to be wide-ranging, although the valve industry is generally expecting a full offer from Rockwell. A further announcement is not likely to be made for at least another week. Serck shares rose 1p to 69p yesterday, after 72p, but Robert Fleming, merchant banker to the group, is awaiting a response from the Stock Exchange to its request for an enquiry into dealings ahead of Rockwell's sudden market intervention at the end of last week.

Through stockbroker Cazenove and Co., Rockwell purchased its entire stake that Friday morning at a fixed price of 75p per share.

Seven days previously, Serck shares had closed at 40p but reached 51p at the close of Stock Exchange trading on the day before Rockwell acquired its holding.

Fleming regards this change as a "dramatic movement in relative terms" and expects to receive a reply from the Stock Exchange in the near future.

## ROSEHAUGH IN PECU DEAL

Rosehaugh Company, the investment group, has subscribed \$5,310 to acquire a 52.1 per cent investment in Tolverne Investment Company, a property deal-

ing concern which has exchanged contracts for the purchase of the PECU portfolio of properties for £17.3m.

The portfolio consists largely of shops and also includes some industrial, mixed use and office properties.

Tolverne intends to effect early disposals of certain of the properties and re-structure and improve the remainder of the portfolio.

Rosehaugh has also made a loan of approximately \$83,000 to Tolverne but has not undertaken any further liability or commitment to or on behalf of Tolverne.

Rosehaugh's shareholders will be kept informed of any significant development affecting the investment in Tolverne.

## 'Imps' selling Rhodesian plant

Imperial Group is to sell its tobacco packing and storeroom plant in Rhodesia to Tobacco Sales, a local company controlled by the country's Tobacco Association.

The price was not disclosed by either party but was rumoured in Salisbury to be around R\$5m (£3.25m). Imperial also announced its "firm intention" to resume purchases of Rhodesian tobacco in the coming season.

The plant is in Salisbury, and other assets being sold include office buildings and a residential estate covering 276 acres. The sale forms part of Imperial's general policy of disposing of its non-core assets in order to concentrate on its high technology business.

Plessey Wiring is based in Swindon and employs 154 workers. A spokesman said that Plessey would not make an "all out drive" to sell the wiring business but it is known that an individual buyer is very interested but no sale has yet been agreed.

Only last week Plessey sold off its sheet metal company as part of its stated policy to dispose of non-electronic interests in order to concentrate on its high technology business. Plessey Wiring is based in Swindon and employs 154 workers. A spokesman said that Plessey would not make an "all out drive" to sell the wiring business but it is known that an individual buyer is very interested but no sale has yet been agreed.

RTD GROUP SELLS SWINTON FACTORY  
RTD Group has negotiated the sale of its freehold factory premises at Royal Oak Works, Swinton, under satisfactory lease-back terms. Gross sale consideration is £175,000 cash, the net book value of property at February 28, 1979 was £101,970. Royal Oak Works is occupied

by a major metal-finishing subsidiary of the group which will continue to carry on its operations from the premises.

Proceeds of the sale will be utilised to reduce borrowings and to provide working capital for development of business interests of the group.

HENDERSON-KENTON BUYS GREENHILLS

Henderson-Kenton, the retail furnishing group, has acquired Greenhills, the Glasgow furniture store. The 32,000 sq ft store will be the group's largest city centre unit in the UK. It is being refurbished and will open as "Hendersons Furnishing" in the spring.

This is one of nine new stores recently opened or acquired by the group, making a total of 77. Stores are expected to open later this year in Middlesbrough, Cheltenham, Oldham, Cardiff and Colindale.

Mr. David Hyman, chairman, says the group is engaged on an intensive expansion programme, and is negotiating for several further new sites and existing businesses.

The group trades as "Hendersons Furnishing" in Scotland and "Kentons Furnishing" in England and Wales.

EUCALYPTUS PULP MILLS  
Island and South American Merchants has sold 30,000 ordinary shares in Eucalyptus Pulp Mills, reducing its holding to 1,100,422 (29.55 per cent).

Balcombe Securities has purchased 30,000 Eucalyptus ordinary shares, making its holding 541,500 (14.53 per cent).

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## UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp. empl.	Vacs.
1978							
4th qtr.	110.3	103.1	103	111.7	273.0	1,340	230
1979							
1st qtr.	109.6	102.1	102	110.1	276.5	1,351	234
2nd qtr.	115.3	107.7	102	116.6	297.2	1,299	236
3rd qtr.	113.1	103.1	102	109.9	300.6	1,269	247
4th qtr.				112.4	314.2	1,286	246
August	112.0	101.6	102	111.4	304.4	1,286	246
Sept.	112.9	104.0	101	109.8	307.0	1,284	243
Oct.	112.3	102.3	101	111.3	309.6	1,282	237
Nov.	113.5	104.7		113.6	317.5	1,282	234
Dec.				112.4	316.9	1,294	219
1980						1,339	297

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textile mfg.	Hous. starts
1978							
3rd qtr.	108.4	99.0	122.7	100.2	93.2	103.7	23.0
4th qtr.	108.0	96.9	124.0	96.9	93.0	102.4	22.9
1979							
1st qtr.	105.5	98.5	126.3	98.3	98.5	99.1	12.2
2nd qtr.	109.3	103.3	133.4	102.9	110.7	103.6	21.3
3rd qtr.	105.6	95.6	132.6	94.6	105.1	101.3	20.7
July	108.0	102.0	126.0	102.0	115.0	101.0	22.6
August	105.0	95.0	131.0	93.0	93.0	100.0	18.3
Sept.	104.0	90.0	131.0	88.0	107.0	100.0	21.8
Oct.	105.0	92.0	130.0	92.0	100.0	98.0	20.9
Nov.	107.0	99.0	131.0	98.0	100.0	100.0	19.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1978							
4th qtr.	123.9	112.9	-0.039	+0.514	-480	106.9	18.77
1979							
1st qtr.	109.4	117.2	-1.610	-1.238	-234	108.0	18.78
2nd qtr.	136.7	131.4	-0.682	-0.575	-227	107.9	21.89
3rd qtr.	132.3	129.5	-0.406	-0.230	-183	108.5	21.18
4th qtr.	132.9	129.9	-0.535	-0.355	-177	106.1	22.54
Sept.	132.0	129.3	-0.185	-0.123	+8	107.1	22.75
Oct.	128.6	134.1	-0.418	-0.388	-85	106.4	22.49
Nov.	133.7	125.0	-0.045	-0.005	-12	106.1	22.42
Dec.	138.1	128.1	-0.072	-0.022	-104	105.7	22.72
1980							22.71

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, net credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12
1979							
1st qtr.	7.6	9.3	3.5	+1,524	777	1,581	13
2nd qtr.	9.7	12.2	28.5	+2,705	777	1,587	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,579	14
4th qtr.	4.6	12.1	16.2	+3,040	839	1,552	17
Sept.	11.5	9.9	13.2	+925	411	1,616	14
Oct.	15.7	15.1	14.6	+1,550	544	1,663	14
Nov.	6.3	13.1	18.1	+1,257	134	1,698	17
Dec.	4.6	12.1	16.3	+253	161	1,592	17
1980							17

INFLATION—Indices of earnings (Jan. 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); PT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic materials	Wholesale mfg.	RPI	Foodst.	FT commodity	Strg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.23	64.0
2nd qtr.	147.3	163.3	168.9	216.5	255.2	293.55	67.4
3rd qtr.	149.1	178.4	178.4	221.1	221.9	301.63	71.9
4th qtr.	147.1	182.1	182.1	227.6	237.2	285.13	68.3
August	153.3	169.1	178.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.3	233.2	232.6	301.66	69.5
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.2	181.5	186.1	237.7	237.0	297.22	68.4
Dec.	186.7	186.7	182.0	239.4	239.9	295.13	69.7
1980						308.69	71.5

\* Not seasonally adjusted.

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## DO YOU, or does your firm accept money on deposit or loan?

If so, you should be aware that under the terms of the

BANKING ACT 1979

you may need permission from the Bank of England to continue deposit-taking.

This permission must be requested by 31 March 1980.

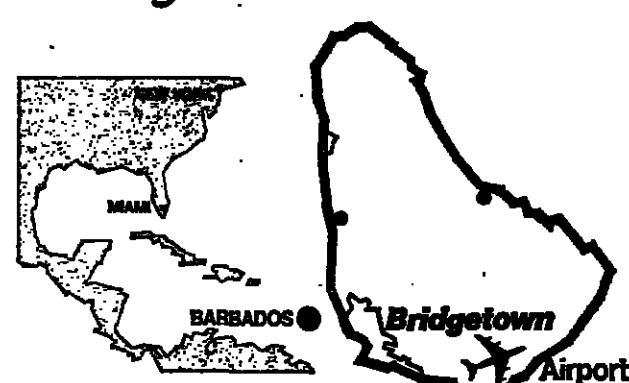
In most cases it will be an offence after 31 March 1980 to continue a deposit-taking business, whether deposits are interest-bearing or not, unless permission has been requested. Permission is not required if deposits are solely by way of pre-payment for goods or services.

If you think you may be affected, you should

Obtain a copy of the Act from Her Majesty's Stationery Office and Consult your legal advisers.

If you have any queries, you should telephone the Banking Supervision Division of the Bank of England on 01-601 4444 or write to Enquiries Section, Banking Supervision Division, Bank of England, Threadneedle Street, London EC2R 8AH.

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# First-quarter earnings recovery for Siemens

BY JONATHAN CARR IN MUNICH

SIEMENS, West Germany's largest electrical concern, has begun its new business year with a rise in sales and profits after suffering a rare setback to both in the year ended September 1979.

With investment surging ahead and much talk about new chances being created for the electrical industry by the oil crisis, the company is anything but pessimistic.

Net profit in the three months ended December rose to DM 164m (€94m) from DM 144m on sales up by 16 per cent to DM 7.1bn (€4.1bn). The main impetus came from abroad where sales rose by more than one-fifth.

Orders, in contrast, were more buoyant at home in the first quarter, reflecting the relatively strong — and continuing — growth of the German economy. Overall, orders were up by 15 per cent to DM 8.1bn.

Dr. Bernhard Plettner, executive chairman, was cautious about predicting growth rates for company business for this year as a whole. But it already seems clear that Siemens orders intake will pass the DM 30bn mark and sales the DM 29bn mark in 1979-80. In the U.S. alone, Siemens expects sales of more than DM 900m against DM 700m last year.

The company faces heavy additional costs — for example an extra DM 200m alone for its supplies of gold and other precious metals. But despite this, it will be a matter for surprise if Siemens' profits do not resume the upward climb broken last year.

The reduction in net profit last year to DM 682m from DM 721m was the first setback

	Year	Year
	1977-78	1978-79
Orders	DM bn.	DM bn.
Sales	29.0	29.8
Investment	1.4	1.6
Net profit	0.72	0.68
As percentage of sales	2.5	2.4
First qtr. 1979-80	First qtr. 1978-79	First qtr. 1979-80
Orders	7.1	8.1
Sales	6.2	7.1
Investment	0.22	0.41
Net profit	0.14	0.16
As percentage of sales	2.3	2.3

since 1974-75, while the reduction in sales to DM 28bn from DM 29bn was the first for at least a decade.

Particularly responsible for the downturn was the turnover loss of around DM 2bn suffered by the Siemens subsidiary, Kraftwerk Union (KWU) which ran into problems on a contract for the construction of nuclear power plants in Iran. Siemens sales excluding KWU showed a rise of 6 per cent.

In addition, group profits were affected by depreciation on securities worth more than DM 250m, and an unusually big payment into the pensions fund. However, the 1978-79 result has not prevented Siemens from proposing an unchanged 16 per cent dividend.

For this year Siemens plans total investment of just over DM 2bn, a good DM 400m more than in 1978-79 and double the level of a decade ago. Looking further ahead, the company sees opportunities emerging from the growing move away from oil as an energy source.

Dr. Plettner tentatively esti-

mates that this shift away from oil could involve investment measures worldwide worth an average of DM 1,000bn a year for the next four decades.

Included in this figure were such elements as nuclear power development, new techniques for processing coal, energy savings measures and so on — in all of which the electrical industry would be heavily involved. Siemens would gain in orders only a small percentage of this total investment sum — but the "chance was there to be grasped."

By sector Siemens gives its business development as follows:

● Power engineering: with DM 7.1bn in sales in 1978-79, the biggest single division accounting for one quarter of total turnover. Orders up by 9 per cent to DM 7.9bn with foreign business more buoyant than domestic.

● Telecommunications: sales up by 7 per cent to DM 5.8bn, orders up by 10 per cent to DM 6.5bn and big growth prospects seen — not least abroad for the EWS electronic telephone exchange system.

● Components: sales up by 17 per cent to DM 1.3bn — and big expansion seen abroad. In particular Siemens has just concluded an agreement with Fuji Electronics which it hopes will help open up the Japanese components market.

● Data and information systems: sales up by 22 per cent to DM 1.6bn and orders up by one quarter to DM 2bn. Siemens estimates that it has — by value — more than one-fifth of the West German computer market and about 9 per cent of the Western European market.

## Bayer drops bid after Cartel decision

By Leslie Collett in Berlin

BAYER, one of the big three West German chemical companies, has dropped its bid for at least 50 per cent of Roehm in Darmstadt after the West German Cartel Office said that it would not approve of the merger.

The Cartel Office said that Roehm's leading position as a plexiglass producer in West Germany would add to Bayer's "market dominating position" in engineering plastics, especially polycarbonates.

Bayer said that it is no longer pursuing its interest in Roehm, following the compulsory examination of its bid by the Cartel Office and after the "changes that have taken place." BASF recently disposed of its 39.1 per cent share in Roehm, in which the Roehm family has a 60.9 per cent holding.

BASF saw no hope of acquiring a majority share and sold its DM 90m stake to Chemische Werke Huls, a subsidiary of the Veba energy group. The Roehm family has not yet approved of the transaction, but a company spokesman said that an "affirmative decision" is expected shortly.

Since BASF acquired its share of Roehm in 1970, West Germany has passed tougher merger legislation and BASF had reason to believe that the Cartel Office would have turned down its bid for a majority stake in the company.

The Cartel Office said a merger of Bayer and Roehm would have transformed the family-owned company into part of a concern which would have ended its "independent corporate strategy."

After expropriation of its American subsidiary, Roehm and Haas, during the Second World War, Roehm returned to the U.S. in 1976 to establish a joint venture with American Cyanamid called Cyro Industries. Cyro produces plexiglass and has become a major competitor of Roehm's former subsidiary.

## Arabian Oil results rise sharply

By Yoko Shibata in Tokyo

ARABIAN OIL Company, Japan's largest oil producer, raised sales and earnings for the fiscal year ended last December, helped by the strong demand for oil seen against the background of the world oil shortage and the upsurge in selling prices, linked with the OPEC level.

Net profits went up by 269.0 per cent to ¥4,900bn (€20.4m), on sales of ¥516.97bn (€22.2bn), up 75 per cent. Per share profits were ¥98.03, compared with ¥26.57 a year earlier. At the operating level, profits gained 124.2 per cent to ¥389.99bn.

Arabian Oil was founded with support from Saudi Arabia (10 per cent) and Kuwait (10 per cent), and the company has the concessions in Khafji-Oil field.

The company continued full capacity production of crude oil in the year at 400,000 barrels per day. Of the total 70 per cent was for Japan and the rest was for the Kuwait Government. Most of the latter part, however, was repurchased by Arabian Oil.

In the July-September quarter, the Kuwait Government reduced by 50,000 barrels a day the amount sold back to the company. However, set against the effect of this supply cut on the company's earnings was the higher selling price. The company's production of crude oil is running at 450,000 barrels a day at present, and earnings are expected to improve in the current year.

## First dividend from MRI

By Wong Sulong in Kuala Lumpur

MALAYSIA RICE INDUSTRIES (MRI) has turned in pre-tax profits for the 18 months ending December of 7.2m ringgits (€3.3m) and is paying a dividend for the first time.

The 10 per cent dividend is double the rate promised by See Ewe Chuan when it took over 75 per cent of the company two years ago.

## New bank guideline brings bond issue from Mitsui & Co.

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MITSUI AND COMPANY, Japan's second largest general trading company, is planning to float a ¥40bn (€168m) convertible bond issue in the Japanese domestic market this spring. The money will be used to cover repayment of excess loans from Mitsui Bank, Mitsui and Company's sister company.

Under a guideline issued by the Ministry of Finance, which comes into force on April 1, Japanese City banks are required to lend no more than the equivalent of 20 per cent of their owned capital to any single corporate borrower.

Mitsui Bank's loans to Mitsui and Company are at present around ¥50bn above this limit. Mitsui had originally hoped to float its domestic bond issue early this year so as to be in a position to liquidate its excess borrowing from Mitsui Bank before the April 1 deadline. The depressed level of the company's share price on the Tokyo Stock Exchange, however, caused it to delay the issue. Demand for Mitsui's stock has been affected by the problems surrounding the ¥700bn Iranian petrochemical project of which Mitsui and Company is the main promoter.

Prospects for resuming work on the Iranian complex have improved sharply in the past few days and Mitsui's share price has recovered to just over ¥400 from its December level of under ¥320. The company has accordingly decided to go ahead with plans for a con-

vertible issue to be floated between April and June.

The bond issue is not the only means by which Mitsui hopes to raise funds to repay excess bank borrowings.

Between December and the beginning of February the company raised DM220m (€126m) worth of the so-called impact loans (general purpose foreign currency loans) from German banks. These are being used to repay excess borrowings from banks other than Mitsui. The banks concerned are Fuji Bank, with excess loans to Mitsui and Co. amounting to ¥16.3bn last September; the Bank of Tokyo (¥4.6bn); and Mitsui Trust and Banking Company (¥2.7bn). Excess borrowing from these three sources will have been eliminated by April 1, leaving only the Mitsui Bank loans outside the Ministry of Finance guidelines.

Mitsui and Co. says it has no idea when its borrowings from Mitsui Bank will be reduced to conform to the guidelines. It points out that strict adherence would mean Mitsui Bank ceasing to be the main bank of Mitsui and Co., in the sense that the loans would be less than those from other banks.

In order to retain Mitsui Bank as its main bank, Mitsui and Co. will repay additional amounts to Fuji Bank and the Bank of Tokyo. This will call for additional fund raising operations over and above the ¥40bn bond issue planned for the early summer.

## UIOH offer puts value of S\$71m on UIC

BY GEORGIE LEE IN SINGAPORE

UNITED INDUSTRIAL Overseas Holdings (UIOH) yesterday disclosed that it is to offer in respect of not less than 50 per cent (7.42m shares) of the full issued share capital of the local chemical and property group, United Industrial Corporation (UIC), valuing it at some S\$71m (US\$32.6m).

UIOH — the private holding company of Mr. Chwang Wan Lien, the managing director of UIC — on Tuesday announced its intention to take over the shares in UIC not already held by it or Mr. Chwang Wan Lien.

UIOH currently holds 2.88m shares in UIC, which has an issued capital of 17.72m shares of S\$1 par each.

The Development Bank of Singapore (DBS), which is act-

ing on behalf of the offeror, said that the offer is conditional upon acceptances being received in respect of not less than 50 per cent (7.42m shares) of the full issued share capital of UIC.

The bank also disclosed that UIOH had agreed in principle to purchase 2.92m shares in UIC from the Singapore Government-owned Temasek Holdings Private at S\$3.75 per share, or such higher prices as UIOH would offer to all other shareholders of UIC under the takeover scheme. The Temasek sale is not conditional on the takeover scheme succeeding.

The last transacted price of UIC prior to the takeover announcement was S\$3.86 per share. The offer price of S\$4.00 is said to be below expectation.

## Bloedel to pull out of France

BY TERRY DODSWORTH IN PARIS

THE FUTURE of Groupement Européen de la Cellulose (GEC), which claims to be the largest European producer of pulp for the paper industry, has been thrown into doubt for the second time in two years by a proposed withdrawal by a major shareholder.

The Canadian paper company, MacMillan Bloedel, has a 34 per cent stake in GEC which it effectively manages following a reorganisation plan agreed with the French authorities in early 1978. This was part of an attempt to rationalise the ailing French paper and pulp industry.

GEC, however, has continued to run up losses since MacMillan's arrival, with a deficit of FFf 195m in 1978 followed by one of FFf 60m (U.S.\$14.7m) last year. The company is now far from sure of a solution.

Given MacMillan's unwillingness to increase its involvement in GEC, the problems of the French group will probably have to be looked at again by the Government.

New shareholding arrangements are already being rumoured in France to alter the present complicated financial structure. Holders of GEC shares include five French paper makers, the Société Forestière des Ardennes, in which the State-backed Institute for Industrial Development has an interest, and MacMillan.

One of the main problems facing GEC is the high cost of wood in France, a difficulty which has embarrassed the whole of the paper industry for several years. French wood prices are now much higher than those in North America, partly because of the fragmented ownership of forests in France which makes it difficult to extract wood in the most economic way.

Although the Government has been investigating this problem, it has not so far come up with a solution.

ESAB falls short of forecast

By Victor Karyetz in Stockholm

DESPITE GROWING interest by customers in its welding robots and semi-automatic welding machines, Sweden's ESAB group fell short of the small pre-tax profit it predicted for 1979. The group posted a loss of SKr 2m (€480,000) before tax, against a 1978 loss of SKr 36m, and the board recommends passing the dividend for the second year.

Turnover of the Gothenburg-based welding equipment maker rose by 5.5 per cent to SKr 1,499m (€659m), just short of its SKr 1,500m target. The proportion representing sales outside Sweden rose from 82 per cent to 84 per cent.

ESAB points to continued weakness on world markets for its products, excess capacity, and tough price competition due to slow growth in steel consumption, partly as a result of very low shipbuilding activity. It forecasts improved group earnings during 1980, on unchanged volume, but stresses that major cost-cutting measures are needed.

Although the group's second-half sales rose by 16 per cent from SKr 700m in the first six months, losses during July-December totalled SKr 7m, outweighing the SKr 5m pre-tax profit recorded in January-June.

After extraordinary items including SKr 36m in gains from disposals, the group showed a profit for 1979 of SKr 7m, against a 1978 loss of SKr 48m.

## Schloemann sees Italian link as diversification

BY ROGER BOYES IN BONN

SCHLOEMANN-SIEMAG, the West German steel engineering concern, which earlier this week announced the purchase of 20 per cent of the Italian steelworks manufacturer, Danieli, said yesterday that it has been interested for some time in drawing closer to the profitable Italian mini-steelworks market.

The bulk of Schloemann's experience so far — apart from an excursion into the plastics machinery field — has been in large steel plants, and it has become increasingly aware of its vulnerability to both the vagaries of exchange rates (as 90 per cent of its production is intended for export), and the generally depressed state of the steel industry.

The link with Danieli will give Schloemann access to the Italian company's considerable experience with direct reduction processes. There is a possibility,

too, that Schloemann will be able to benefit from Italian export concessions through its stake in Danieli.

Schloemann-Siemag's attempts to diversify — at least broaden its commercial range — have recently involved both new acquisitions and the conclusion of licensing agreements. The company has just announced a licensing agreement with the Steel Company of Canada (Stelco), which is aimed at broadening its product mix. Under the agreement, Schloemann has been given the right to design, manufacture and sell the coil box developed by Stelco for use in new plants, and for the modernisation of hot wide strip mills. The German company's contribution to the project is its own development of methods to reduce edge scrap in hot strip mills.

First dividend from MRI

By Wong Sulong in Kuala Lumpur

MALAYSIA RICE INDUSTRIES (MRI) has turned in pre-tax profits for the 18 months ending December of 7.2m ringgits (€3.3m) and is paying a dividend for the first time.

The 10 per cent dividend is double the rate promised by See Ewe Chuan when it took over 75 per cent of the company two years ago.

First-half earnings per share fell to 8.7 cents compared with 9.5 cents last year. In the year to June 30, 1979, earnings per share amounted to 20 cents, from which a dividend of 9 cents was declared.

The directors report that fuel costs are being contained, and

## Audi-NSU profits advance

BY OUR FINANCIAL STAFF

AUDI NSU, which is part of the Volkswagen group, will show an increase in profit for 1979 following a rise in sales to DM 5.2bn from DM 4.51bn.

Turnover is expected to grow again this year, if more slowly than last.

Exports in 1979 rose 27 per cent and accounted for about

45 per cent of turnover. The U.S. was the largest customer, taking 40,000 of the 412,517 cars sold, while the UK was the largest in Europe and the Italian market showed the fastest rate of growth. Overall, Audi's export-to-sales ratio will probably remain "about the same this year."

IRVIN AND JOHNSON, the South African fishing company which is controlled by Anglo Transvaal Consolidated, has reported a 3.6 per cent increase in pre-tax profit to R4,52m (€5.66m), for the six months to December 31, 1979.

First-half turnover improved by 18.5 per cent to R95.1m (€118.9m). The fall in margins reflects the impact of higher fuel prices for the company's trawler fleet.

The directors report that fuel costs are being contained, and

trawler propulsion units are being converted to use a heavy fuel/diesel oil blend which is expected to yield significant cost savings. The changeover is expected to have a favourable impact on second-half earnings.

However, it is unlikely that this will result in a significant improvement in the dividend this year. The company is committed to spending some R9m on additions to its trawler fleet, and a further R3m for improvements to its inland frozen food processing unit.

First-half earnings per share fell to 8.7 cents compared with 9.5 cents last year. In the year to June 30, 1979, earnings per share amounted to 20 cents, from which a dividend of 9 cents was declared.

The directors report that fuel costs are being contained, and

THE NIPPON CREDIT BANK (CURACAO) FINANCE N.V.

U.S. \$30,000,000

Guaranteed Floating Rate Notes Due 1987



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by THE NIPPON CREDIT BANK, LTD. (Kabushiki Kaisha Nippon Saiken Shinyo Ginko)

In accordance with the provisions of the Agent Bank Agreement between the Nippon Credit Bank (Curacao) Finance N.V. and Citibank, N.A. dated February 4, 1980 notice is hereby given that the Rate of Interest for the initial three month period has been fixed at 14 1/8% p.a. and that the interest payable on the relevant Interest Payment Date, May 6, 1980, against Coupon No. 1 will be U.S. \$183.59 and has been computed on the actual number of days elapsed (90) divided by 360.

By: Citibank, N.A., London Agent Bank February 7, 1980

CITIBANK

## CORRECTION

The following advertisement appeared incorrectly in some editions of the Financial Times on 22nd January, 1980.

## KANSALLIS-OSAKEPANKKI

(Incorporated with limited liability in Finland)

U.S.\$30,000,000 Floating Rate Capital Notes 1983

Notice is hereby given pursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 23rd January, 1980 to 23rd July, 1980 is at the annual rate of 14 1/8 per cent. The U.S. Dollar amount to which the holders of Coupon No. 6 will be entitled on duly presenting the same for payment will be US\$3,937.50 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which the Fiscal Agent may make, without further notice in the event of an extension or shortening of the above-mentioned Interest Period.

European Banking Company Limited on behalf of European-American Bank & Trust Company (Agent Bank) 22nd January, 1980.

Weekly net asset value

on February 4 1980

Tokyo Pacific Holdings N.V.

U.S. \$69.93

Tokyo Pacific Holdings (Seaboard) N.V.

U.S. \$50.95

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heiding &amp; Pierson NV Herengracht 214, Amsterdam

## VONTBEL EUROBOND INDICES

	14.5.76=100%		
PRICE INDEX	5.2.80	AVERAGE YIELD	5.2.80
DM Bonds	96.01	DM Bonds	8.136
DM Bonds & Notes	93.67	DM Bonds & Notes	8.052
U.S. \$ Str. Bonds	85.43	U.S. \$ Str. Bonds	9.594
Can. Dollar Bonds	86.71	Can. Dollar Bonds	11.795
			12.239

## CORRECTION

The following advertisement appeared incorrectly in some editions of the Financial Times on 22nd January, 1980.

## BANCO DE LA NACION ARGENTINA

U.S.\$30,000,000 Floating Rate Notes 1983

Notice is hereby given pursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 23rd January, 1980 to 23rd July, 1980 is at the annual rate of 14 1/8 per cent. The U.S. Dollar amount to which the holders of Coupon No. 4 will be entitled on duly presenting the same for payment will be US\$3,937.50 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which may be made in accordance with the Terms and Conditions, without further notice in the event of an extension or shortening of the above-mentioned Interest Period.

European Banking Company Limited (Agent Bank) 22nd January, 1980.

MCS S.p.A.

U.S. \$100,000,000

Seven-Year Floating-Rate Loan

Guaranteed by

EFIM

Ente Partecipazioni e Finanziamento Industria Manifatturiera

Managed by

Banco di Roma

Bayerische Hypotheken-und Wechsel-Bank

Aktiengesellschaft

The Dai-Ichi Kangyo Bank, Limited

Deutsche Girozentrale International S.A.

National Bank of North America

Nordic Bank Limited

Swiss Bank Corporation

N. M. Rothschild and Sons Limited

AFIN S.p.A.

The Daiwa Bank, Limited

Genossenschaftliche Zentralbank, Vienna

The Taiyo Kobe Bank, Ltd.

Funds Provided By

Banco di Roma, London Branch

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Copenhagen Handelsbank International S.A.

The Dai-Ichi Kangyo Bank, Limited

The Daiwa Bank, Limited

Deutsche Girozentrale International S.A.

Genossenschaftliche Zentralbank, Vienna

International Westminster Bank Limited

National Bank of North America

(Romania) Branch

Nordic Bank Limited

Svenska Handelsbanken S.A.

Swiss Bank Corporation

(International) Ltd.

The Taiyo Kobe Bank, Ltd.

December 1979











# Optimism about steel strike settlement lifts equity index 8.1 to 455.9—Gilts regain poise in late trade

## Account Dealing Dates

Options  
First Declara- Last Account  
Dealing tions Dealings Day  
Jan. 28 Feb. 7 Feb. 8 Feb. 18  
Feb. 11 Feb. 21 Feb. 22 Mar. 3  
Mar. 3 Mar. 14 Jun. 12 Jun. 23

\*New time\* dealings may take place from 9.30 a.m. two business days earlier.  
Leading equities refused to be subdued following the CBI's warning of the steel strike's effects on UK manufacturing industry by the end of the month. Rather, the equity sections responded to optimism about the steel unions accepting British Steel Corporation's revised pay offer. However, the general performance of stock markets yesterday was again marred by prevalent uncertainties in Gilts.

The latter market remained sensitive to the latest increase in UK monetary growth following Tuesday's banking statistics. These extinguished any lingering hopes for a cut in Minimum Lending Rate before next month's Budget. Fresh losses ranging to 3 appeared in longer-dated Gilts and rallies failed to hold until the afternoon's trade. Quotations then reverted to overnight list levels.

The 25-year Treasury 12½ per cent "A" 2008/85 illustrated the day's fluctuations, falling to 20½ before recovering late in the evening to 21 for a net, and rare, gain of 1. Short-dated

securities likewise settled higher on balance in the late trade, having spent much of the session moving erratically and generally lower, sometimes by as much as ½.

Investment in the equity sections appeared to focus on quality stocks. These were usually in short supply and the resultant rises gave overall encouragement to the market. The announcement that Racal is considering a counter offer to GEC's cash bid for Decca caused considerable interest and aroused many other possibilities in Electricals.

Although business was reduced to a trickle in the afternoon, leading shares, after easing a penny from the best, went further ahead after the 3.30 pm close to finish at the day's highest. The FT 30-share index measured this with a final gain of 8.1 to 455.9 after recording a rise of 6.4 at 3.00 pm.

Increased takeover speculation prompted an active Traded option business in Cons. Gold Fields which contributed 415 deals to a total of 753. RTZ was also in demand, recording 116 contracts.

## UDT down

UDT was marked down to 39p in reaction to the interim profits setback but closed only 2 down on balance at 42p. The major clearing banks took a modest

turn for the better with scattered support prompting improvements ranging to 6. Lloyds, which start the dividend season on February 23, ended 4 to the good at 302½, while NatWest rose 6 to 382½. Discount Houses gave ground in sympathy with Gilts. Union dipped 10 to 380p, Gerrard and National relinquished 6 to 220p and Allen Harvey and Ross softened 5 to 330p.

A strong goods mark and among leading Breweries with Arthur Guinness adding 2 to 185p and Bass a penny to 198p. Regional issues had a mixed appearance. Morland continued to react to profit-taking and shed 3 to 102p, but Home Brewery improved 10 to 330p.

Leading Building descriptions encountered fresh investment buying. Blue Circle firmed 4 to 300p, while Tarmac added 4 to 202p and BPS 2 to 185p. UBS became a goods mark and hardened 1 to 70p. The Timber sector featured Montague L. Meyer which slipped to 93p on the director's denial of a bid approach before fresh speculation revived lifted the price to 99p for a net gain of 4. Travis and Arnold put on 10 for a two-day gain of 17 to 243p in a restricted market, while Mallinson-Denny added 1½ more to 55p and International Timber picked up 2 to 115p. Magnet and Southern firmed 3 further to 165p. Elsewhere, buying in a thin market lifted Wilson (Cannolly) 6 to 193p, but Crouch Group shed a penny to 80p on second thoughts about the interim statement. Istock Johnson revived with a gain of 3 to 73p and Nottingham Brick added 5 to 405p.

Increased interest was shown towards the close in ICI which finished 5½ up at 380p. Flisons, at 282p, recovered the previous day's fall of 3 while, in Paints, Leyland stood out with a gain of 3 at 44p.

## Stylo good

A resurgence of speculative buying on bid hopes helped Stylo Shoes advance 13 to 175p. Leadwires made a firm showing with House of Fraser notched for a rise of 4 to 132p helped by Press comment. Marks and Spencer hardened 2 to 88p as did British Home, to 265p, and Gossies "A" to 400p. Elsewhere, Lee Cooper firmed 8 more to 255p. Renewed support in a thin market and Dixons photographic revived with a rise of 5 to 107p. Bolton Textile continued firmly at 35p, up 2, while Bentalis, 38p, and B. and C.

Retail, 82p, closed similarly better.

The Decca bid situation again provided the main source of interest in the Electrical sector. News that Racal is considering making an increased offer left Decca ordinary 8½ higher at 535p and the "A" shares 50 up at 425p, these compared with GEC's cash bids of 500p and 400p respectively. Racal fell to 207p following the announcement before settling at 212p, down only a penny on balance, but GEC pushed ahead to close 9 up at 380p. Flessey rose 4 more to 285p, but Ferranti gave 7 to 485p. Elsewhere, Unilever responded afresh to the good interim results and proposed German acquisition by rising to 270p and closing a net 8 higher at 285p. Renewed demand lifted Bowthorpe 6 to 112p, while Mairhead advanced 7 to 205p and United Scientific 8 to 430p.

Revised hopes about a settlement of the steel strike following news of the new pay offer prompted a better trend in the Engineering leaders, gains of 4 being marked against Hawker, 185p, Tubes, 285p, and Vickers, 133p. Elsewhere, Advest fell 9 to 185p accompanied by talk that Racal is in the process of placing its holding in the company. Lower interim profits left Mining Supplies 6 cheaper at 78p, after 75p. Serck, on the other hand, closed 1½ to the good at 68p, after 72p. Rockwell International announced yesterday that, following its recent acquisition of a 29.7 per cent stake in Serck, discussions are taking place and that a further announcement will be made as soon as possible. Elsewhere, United Engineering 4 to 117p, while fresh speculative support prompted a similar improvement to 79p in Compair.

British Sugar continued the recent recovery with a gain of 8 to 188p in a market none-too-well supplied with stock. Other Foods performed reasonably well with Associated Dairies, a dull market of late on profit margin worries, improving 4 to 174p. De Beers, Lowndes & Edwards came in for fresh support and added 3 to 62p, while the new all paid shares put on 2 more to 32p premium. Single improved 1½ to 18p in response to the interim statement.

The Hotels and Caterers sector was featured by Trusthouse Forte which rose 5 to 162p on renewed investment support.

## Metal Box rally

News of the new pay offer to BSC's workers gave rise to hopes

that the dispute might soon be ended and miscellaneous industrial leaders were pushed higher. Metal Box was particularly buoyed by the development and rallied 1½ to 250p after recent depression following last week's statement that the company would be laying off workers because of the strike. Still responding to Press comment, Glass gained 8 to 475p. Pilkington rose 7 to 237p and Turner and Newall 6 to 132p. Beecham added 5 to 124p and BOC International hardened 2½ to 66p. Elsewhere, persistent speculative buying in a thin market left Diplomat, 684p, demand was forthcoming for Tricentrol which advanced 11 to 274p. Among the leaders, British Petroleum put on 6 to 364p, while the new shares were quoted in fully paid form at 370p, up 8. Shell closed 4 firmer at 350p, after 352p.

Shippings encountered selective demand, with Ocean Transport particularly good at 104p, up 4. James Fisher improved 7 to 265p and Furness Withy 3 to 245p.

Among Textiles, Courtaulds rose 3 to 77p. Tootal added a penny to 29p after further consideration of the company's rationalisation plans announced on Tuesday, while David Dixon, 117p, and Shaw Carports, 25p, both firmed around 2.

Currency influences coupled with the strength of the bullion price prompted sharp gains in South African industrials. Barlow Rand jumped 20 to 450p, while Abercrombie, 145p and South African Breweries, 143p rose 13 and 8 respectively.

## Gold sharply higher

South African Gold sprang to life after two days of relative calm as the bullion price surged 32 to \$717.50 an ounce ahead of last night's International Monetary Fund gold auction.

Share prices were marked higher at the outset, reflecting the overnight demand for U.S. and edged up throughout the day on small buying.

Demand increased sharply after-hours, however, as the further strength in gold brought renewed London buying accompanied by aggressive American interest. The Gold Mines index advanced 18.5 to 344.8.

A statement from Gold Fields reiterating the company's warning of possible creeping acquisition of its shares encouraged renewed heavy speculative buying and the shares jumped to a 1978-1979 high of 515p before settling 18 up on balance at 508p.

dened a fraction to 87p. In secondary issues, Westminster Property added 1½ to 37p on the improved annual performance and the prospect of a return to dividends during the current year.

## Oils revive

Quite a lively trade developed in the Oil sector and, despite faltering at one stage, the final tone was fully firm with the majority of quotations, ending only a shade below the day's best.

Lasmo featured in secondary issues with a further rise of 29 to 472p, while Stebens (UK) closed 8 higher at 680p, after 684p. Demand was forthcoming for Tricentrol which advanced 11 to 274p. Among the leaders, British Petroleum put on 6 to 364p, while the new shares were quoted in fully paid form at 370p, up 8. Shell closed 4 firmer at 350p, after 352p.

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LONDON TRADED OPTIONS									
Option	Ex./rise price	April		July		Oct.		Equity close	
		Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.		
BP	350	40	6	—	—	—	—	363p	
BP	375	26	10	—	—	—	—	"	
BP	400	—	—	36	20	—	—	"	
BP	420	13	1	—	—	—	—	"	
Comm. Union	140	14	1	21	—	28	—	145p	
Cons. Gold	390	136	17	156	—	185	—	519p	
Cons. Gold	420	114	95	185	20	185	—	"	
Cons. Gold	450	84	81	108	19	130	—	"	
Cons. Gold	500	64	179	82	1	106	10	3	
Courtaulds	70	9	—	13	—	72	5	76p	
Courtaulds	80	4	25	63	—	77 1/2	2	365p	
GEC	350	49	—	—	—	56	2	"	
GEC	360	29	26	45	—	56	2	"	
GEC	390	15	3	1	—	—	—	"	
ICI	350	53	9	73	—	—	—	379p	
ICI	360	32	88	52	—	63	—	"	
ICI	390	16	10	33	—	45	—	"	
Land Soc.	350	7	10	14	—	—	—	286p	
Shell	300	62	6	—	—	—	—	550p	
Shell	330	41	18	—	—	68	—	"	
Shell	350	22	19	37	—	—	—	"	
Totals			527		56		80	"	
		February		May		August			
Racal Elec.	220	16	2	52	11	39	—	211p	
Racal Elec.	200	5	17	80	—	38	—	"	
Racal Elec.	240	1	—	12	5	20	—	"	
RTZ	300	115	5	136	—	147	—	416p	
RTZ	340	65	7	84	—	125	—	"	
RTZ	360	65	3	2	—	99	—	"	
RTZ	390	39	60	57	—	80	—	"	
RTZ	420	12	15	89	13	54	—	"	
Totals			109			4	6		



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**ICE**

4182	Feb.	41.80	11.00	9.00
4183	Mar.	41.80	11.00	9.00
4184	Apr.	41.80	11.00	9.00
4185	May	41.80	11.00	9.00
4186	Jun.	41.80	11.00	9.00
4187	Jul.	41.80	11.00	9.00
4188	Aug.	41.80	11.00	9.00
4189	Sep.	41.80	11.00	9.00
4190	Oct.	41.80	11.00	9.00
4191	Nov.	41.80	11.00	9.00
4192	Dec.	41.80	11.00	9.00
4193	Jan.	41.80	11.00	9.00
4194	Feb.	41.80	11.00	9.00
4195	Mar.	41.80	11.00	9.00
4196	Apr.	41.80	11.00	9.00
4197	May	41.80	11.00	9.00
4198	Jun.	41.80	11.00	9.00
4199	Jul.	41.80	11.00	9.00
4200	Aug.	41.80	11.00	9.00
4201	Sep.	41.80	11.00	9.00
4202	Oct.	41.80	11.00	9.00
4203	Nov.	41.80	11.00	9.00
4204	Dec.	41.80	11.00	9.00
4205	Jan.	41.80	11.00	9.00
4206	Feb.	41.80	11.00	9.00
4207	Mar.	41.80	11.00	9.00
4208	Apr.	41.80	11.00	9.00
4209	May	41.80	11.00	9.00
4210	Jun.	41.80	11.00	9.00
4211	Jul.	41.80	11.00	9.00
4212	Aug.	41.80	11.00	9.00
4213	Sep.	41.80	11.00	9.00
4214	Oct.	41.80	11.00	9.00
4215	Nov.	41.80	11.00	9.00
4216	Dec.	41.80	11.00	9.00
4217	Jan.	41.80	11.00	9.00
4218	Feb.	41.80	11.00	9.00
4219	Mar.	41.80	11.00	9.00
4220	Apr.	41.80	11.00	9.00
4221	May	41.80	11.00	9.00
4222	Jun.	41.80	11.00	9.00
4223	Jul.	41.80	11.00	9.00
4224	Aug.	41.80	11.00	9.00
4225	Sep.	41.80	11.00	9.00
4226	Oct.	41.80	11.00	9.00
4227	Nov.	41.80	11.00	9.00
4228	Dec.	41.80	11.00	9.00
4229	Jan.	41.80	11.00	9.00
4230	Feb.	41.80	11.00	9.00
4231	Mar.	41.80	11.00	9.00
4232	Apr.	41.80	11.00	9.00
4233	May	41.80	11.00	9.00
4234	Jun.	41.80	11.00	9.00
4235	Jul.	41.80	11.00	9.00
4236	Aug.	41.80	11.00	9.00
4237	Sep.	41.80	11.00	9.00
4238	Oct.	41.80	11.00	9.00
4239	Nov.	41.80	11.00	9.00
4240	Dec.	41.80	11.00	9.00
4241	Jan.	41.80	11.00	9.00
4242	Feb.	41.80	11.00	9.00
4243	Mar.	41.80	11.00	9.00
4244	Apr.	41.80	11.00	9.00
4245	May	41.80	11.00	9.00
4246	Jun.	41.80	11.00	9.00
4247	Jul.	41.80	11.00	9.00
4248	Aug.	41.80	11.00	9.00
4249	Sep.	41.80	11.00	9.00
4250	Oct.	41.80	11.00	9.00
4251	Nov.	41.80	11.00	9.00
4252	Dec.	41.80	11.00	9.00
4253	Jan.	41.80	11.00	9.00
4254	Feb.	41.80	11.00	9.00

## OFFSHORE & OVERSEAS FUNDS

Continued on previous page



# CAREERS ADVICE REQUIRED?

please telephone  
01-638 6791,  
Salzer Executive Services,  
61, Berners Street,  
London W1A 4QZ.

**SALZER**  
EXECUTIVE SERVICES

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

Five to fifteen years

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

Over fifteen years

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

Undated

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

INTERNATIONAL BANK

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

Public Bond and Ind.

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Telex: Editorial 895487. Advertisements: 885033. Telegrams: Finantime, London.

Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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## FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## AMERICANS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## CANADIANS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## BANKS & HP—Continued

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## ELECTRICALS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## CHEMICALS, PLASTICS—Cont.

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## ENGINEERING—Continued

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## DRAPERY AND STORES

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## ENGINEERING—Continued

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## HOTELS AND CATERERS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	%	Yield
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00

## FOOD, GROCERIES—Cont.

97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
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97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97.50	1.00	10.00
97.50	97.00	British Fund	97		



**FINANCE' LAND—Continued**[illegible]

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated to half-yearly figures. P/E's are calculated on "net" distribution basis, earnings per share being computed on profit after taxes and before ACT where applicable. Bracketed figures indicate 10 per cent or more difference if calculated on "all" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional prefinancing but including minority interest. Dividend yields are based on the latest available prices, are gross, adjusted to ACT of 50 per cent and allow for value of declared distribution and rights.

- "Tap Stock."
- Rights and Lows marked this have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ⇒ Tax-free to non-residents on application.
- Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.

- ♣ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- ♣ Forecast dividend; cover on earnings updated by latest interim statement.
- ♣ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ♣ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♣ Evaluation a final dividend declaration.

\* Regional price.  
 ‡ No car value.  
 §§ Yield based on Assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. i Payment from capital sources. j Kenya interim higher than previous total. n Rights issue pending.

q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Imputed dividend: cover relates to previous dividend. u PIE ratio based on latest annual earnings. v Forecast dividend: cover based on previous year's earnings. w Tax free up to 30p in the £. x Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1974-80. G Assumed dividend and yield after dividend

scrip and/or rights issue. N Dividend and yield based on prospectus or other official estimates for 1973-74. K Figures based on prospectus or other official estimates for 1974-80. L Dividend and yield based on prospectus or other official estimates for 1980. M Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross, T Figures assumed. Z Dividend total to date.

**"Recent Issues" and "Rights" Page 30**

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## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are quoted on the Irish exchange.

Albany Inv. 20p	27	-----	IRISM	
Bertam	18	-----		
Bdg'w. Est. 50p	353	-----	Conv. 9% 10/82	586
Clydesdale	58	-----	6% 61-4 94/85	586

Craig & Rose C.L.	116	Fin. Lns. 97/102	1,885	+4
Dyson (R. A.)	16	Alliance Gas	55	
File Forge	38	Arnott	375	
Finlay Pkg. 50	14	Carroll (P.J.)	52	-1
Graig Ship. 67	950	Clematis	100	
Higgins Brew	75	Concrete Prod.	83	
Holt (J.M.) 250	255	Horton (Higgs.)	39	+4
O.M. Srm. 61	162	Ins. Corp.	200	
Pearce (C. H.)	585	Irish Ropes	55	-2
Peel Mills	37	Jacob	33	

Shell Ref/shm	98	.....	T M G	140	-3
Sundall (Wm.)	165	.....	Undare	80	.....

---

### OPTIONS

#### 3-month Call Rates

Industrials	8	I.C.I.	22	Udd. Drapery	9
A. Brew.	8	"Imps"	7	Victors	14
BDC Intl.	6	I.C.L.	45	Woolworths	6½
B.S.R.	5	Inveresk	5		
Babcock	12	Lactofine	15	Property	
Barclays Bank	30	Legal & Gen.	10	Brit. Land	7
Beecham	13	Lux Service	14	Cap Companies	9
Bike Circle	25	Lloyds Bank	26	Land Secs.	25
Boots	17	"Lofs"	3½	M&P	15

Debitors	26	Lombard St.	8	Peachey	13
B.A.T.	25	Lucas Ind.	9	Sammel Props.	12
Drown ('A)	7	"Mams"	14	Town & City	2
Burton 'A'	7	Mica. & Sprin	9		
Cadbury	7	Musland Bank	30	Oils	
Courtauld	5	N.E.I.	5	Brit. Petroleum	35
Debenham's	5	Nat. West. Bank	32	Burmah Oil	15
Dunlop	23	& O Drid.	10	Guernsey	61
Huttlers	8	Plesley	10	Carmarthens	62
Jamlo	20	Royal Excl.	20	XCA	9
Castle Star	14			Revenue	

W. Accident	27	Rank Dry	17	Sheel	28
Electric	27	Reed Inti.	17	Trucontrol	27
Servo	36	Scars	514	Ultramar	45
U.S.A.	12	Lesco	25		
Guardian	20	Thers.	25	Mines	
K.N.	22	Taxi Houses	24	Char. Cos.	18
Lawler, Sild	16	Tube Invert.	27	Coro. Gold	52
House of Fraser	12	Unilever	40	Lorvite	12
		U.D.T.	4	Rite T. Zinc	35

A selection of Options traded is given on the  
London Stock Exchange Report page



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# FINANCIAL TIMES

Thursday February 7 1980

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## Sterling rises above \$2.30

By Peter Riddell

STERLING yesterday rose above \$2.30 for the first time in over six months as an already strong demand for the pound was boosted by expectations that UK interest rates would not be cut for some time.

This highlights the recent further erosion in the competitive position of UK goods in recent weeks.

The pound jumped 2.2 cents yesterday to \$2.3125, a gain of more than six cents since early last week.

Sterling was also strong against the main Continental currencies — rising above DM 4.00 for the first time since last September.

Consequently, the trade-weighted index of its value against a basket of other currencies rose 0.5 points yesterday to 73.9 compared with a four-year high of 74.0 last July. Apart from expectations of high interest rates sterling was also helped by hopes of an early end to the steel strike.

The latest rise in the pound means the index has increased 10 1/2 per cent in the three months since the end of exchange controls. The result is an intensification of the long-standing policy dilemma for the Government. Large-scale intervention would threaten monetary control, while further appreciation would put even further pressure on an already tightly squeezed manufacturing sector.

The recent deterioration in the competitive position of the UK is primarily a result of the rise in sterling, since the recent rate of increase in UK wholesale prices has not been out of line with rises overseas.

The rate of UK earnings growth remains high, however. The Confederation of British Industry pointed out earlier this week that this, coupled with the rise in sterling, meant unit labour costs in manufacturing relative to the UK's main competitors were now 40 per cent higher than the average in 1975.

There are no signs of any change in the official stance. The Bank of England is undertaking smoothing intervention on most days to iron out erratic movements rather than to set any particular level for the rate. This smoothing has been reflected in an underlying inflow of \$1bn in the past two months.

Money Markets, Page 25  
Editorial comment, Page 20

Continued from Page 1

## Racal

while shipping companies who use Deca's navigational systems are also said to be concerned. GEC has said its bid is conditional on no reference being made.

John Mahinson writes: Carr Sebat placed 1.5m Advent shares with institutions at a price of 184p, but Carr said later that no further sales were planned for the moment. The Advent share price, which weakened on rumours of the disposal, closed 5p lower at 185p.

The prospect of a new offer from Racal pushed Deca shares above the bid price of either GEC or Racal early on, so under the takeover rules, neither suitor was able to buy Deca for most of the day. Deca ordinary shares finished at 535p, up 55p, while the "A" ordinary shares rose 45p to 420p.

However, GEC announced that it had bought 520,000 ordinary shares on Tuesday at a price of 185p. This is its first purchase so far but its holding of ordinary shares already exceeds the 431,000 which has been slowly built up by Racal. In addition to this, Racal has around 1m "A" ordinary shares. GEC so far has no "A" shares. Racal's own shares ended the day 1p down at 312p, while GEC gained 6p to 362p.

## Gold Fields fails to win support against 'takeover'

By Paul Cheseright

CONSOLIDATED Gold Fields, the London natural resources group, has failed to enlist the support of the Stock Exchange in fending off the takeover threat implied by heavy mystery buying of its shares.

There has been increasing alarm at Gold Fields about this buying, which has more than doubled the price of its shares to 508p since last October. On the market, it is estimated that perhaps 20 per cent of Gold Fields' equity has passed into the hands of a "mystery bidder."

Yesterday the company said the position had been drawn to the attention of the Stock Exchange.

But the submission to the authorities, by Schroder Wagg, the merchant bankers, on Gold Fields' behalf, has not elicited much response.

The City Panel on Takeovers and Mergers would investigate the situation only if it felt 30 per cent of the equity — the trigger level for a mandatory bid — had passed into the hands of another company, or

individual, or a group acting in concert, the Stock Exchange said.

The company's share registers have not revealed any concerted buying of the shares. This was the situation in late November when Lord Ewer of Hale, the chairman, warned shareholders of the danger of "creeping acquisition."

Since then, the group said yesterday, "there has been a progressive increase in the number of unregistered transfers held by persons unknown."

The number of shares covered by such transfers has increased sharply in the last three weeks.

London jobbers have noticed that the buying of the shares comes in spurts. The mystery buyer takes on shares, delays while the price settles and then moves into the market again.

It is assumed that the shares are passing out of London to a Continental centre and are being held without being registered, pending the accumulation of a parcel large enough to assume a controlling interest.

But the present market price is not wholly the result of mystery buying. There has been considerable short-term speculative interest in the stock, which has attracted buyers because of the advance in gold prices.

The main attraction of Gold Fields is a potential bidder is thought to be its 48 per cent stake in Gold Fields of South Africa, with its string of developed, low-cost gold mines and base metal interests.

## STEELMAKERS' BID TO AVERT ANTI-DUMPING SUITS

# Quota pact on sales to U.S.

By GILES MERRITT IN BRUSSELS AND ROY HODSON IN LONDON

A SPECIAL steel pact that would voluntarily restrict European steel sales to the U.S. is shortly to be put to the Brussels Commission for negotiation with the U.S. Government.

The bilateral agreement proposed by European steelmakers is a bid to avert the spate of anti-dumping suits by U.S. producers they believe to be imminent. Rather than risk the EEC's expected 1980 steel exports to the U.S. of 5m tonnes being nearly halved as a result of the anti-dumping actions, the European steel companies grouped in the Brussels based Eurofer "club" are prepared to accept quotas.

The European Commission, responsible for all EEC countries' external trade agreements, will receive formal proposals from the Eurofer producers next week. These will form the basis of negotiations when Governor Reuben Askew, President Jimmy Carter's Special Trade Representative,

arrives in Brussels for talks on February 18.

The European steelmakers offer of concessions takes place with anxiety mounting over a possible trade war between the Common Market and the U.S. Indications by the British Government that it will announce tomorrow that it is taking steps to impose curbs on U.S. synthetic fibres yesterday heightened EEC steel producers' fears that they will be the object of retaliatory U.S. action in the form of anti-dumping suits.

President Carter and Mr. Roy Jenkins, EEC Commission president, recently expressed joint concern that such developments could unravel the General Agreement on Trade and Tariffs Tokyo Round.

In return for voluntarily accepting quotas on sales to the U.S., Eurofer is seeking three things from the Americans: • The U.S. steelmakers must call off their threatened legal action.

• Future prices for European steel sold into the U.S. should take account of the U.S. trigger price steel imports control system. But the Americans would be expected to apply the trigger price rules with strict fairness, with no further increases in the trigger prices.

• Any agreement should also take account of all other inflows of steel into the U.S. in particular the big tonnages from Canada, Mexico, and Japan.

Although French, West German, Italian, Belgian and British steelmakers are technically vulnerable to the anti-dumping suits under preparation by U.S. Steel, Bethlehem, Republic and National, they insist that in many product categories the U.S. industry is able to sell at up to 10 per cent below the trigger price.

At the end of last year the Carter Administration agreed to a 5 per cent rise in the trigger for the first quarter of 1980, but

that has failed to satisfy U.S. steel industry demands for massive reductions in European steel exports.

There is serious concern among EEC steel producers that U.S. anti-dumping suits would cut 1980 sales by up to 2m tonnes, worth approaching \$1bn, because of the consequent loss of confidence among importers once import deposits or provisional duties were imposed pending judgement.

At the same time, they say if sales to the U.S. were voluntarily cut by even 1m tonnes, the EEC's Davignon plan for combating the steel crisis could be jeopardised by price cutting inside Europe.

The U.S. is not, by the standards of the advanced industrial countries, a big steel importer. Imports account for some 15 per cent of the U.S. consumption of 117m tonnes a year. Britain imports more than 20 per cent of its steel needs, and France and West Germany each more than 40 per cent.

## Mugabe accuses Bishop's forces

By BRIDGET BLOOM IN SALISBURY

MR. ROBERT MUGABE, the Rhodesian nationalist leader yesterday accused forces loyal to Bishop Muzorewa, the rival party leader, of responsibility for bomb attacks on his Salisbury house and on the house of a senior party aide early yesterday morning.

Mr. Mugabe, at a Press conference, accused Lord Soames, the British Governor, of bias, and auxiliary forces loyal to Bishop Muzorewa of widespread intimidation in the election campaign.

He described the attacks as "only two of very many acts of intimidation" on the auxiliaries.

part. He was unhurt but the aide, a member of the party's central committee, is seriously ill.

The auxiliaries, black troops originally recruited by Bishop Muzorewa as a counterforce to the guerrillas are formally under the control of the Rhodesian security forces. British and Rhodesian authorities have consistently maintained that Mr. Mugabe's guerrillas are the source of most of the mounting violence in rural areas.

Yesterday, however, Mr. Mugabe produced a detailed list of some 40 incidents of alleged intimidation by the auxiliaries,

ranging from attempted murder to harassment at political meetings. The Governor did not want to listen to his party's charges.

Lord Soames should tell us whether his role is to promote the candidates which he feels Britain wants to win the election or whether he is instead to be an impartial Governor. At the moment the British administration is promoting Muzorewa.

Police are holding three men in connection with the incident at Mr. Mugabe's home. A letter adds from Addis Ababa: The meeting opened with an attack on British prac-

tices in Rhodesia from Colonel Mengistu Haile Mariam, Ethiopia's Head of State. He also told the Ministers that they had failed to keep their pledges on Rhodesia and played into the hands of imperialists and racists. Philip Rastvorov adds: In the House of Lords, Lord Carlington, Foreign Secretary, said that the principal threat to fair elections in Rhodesia now came from intimidation of the rural population.

In some parts, it had become impossible for Mr. Nkomo or Bishop Muzorewa to hold meetings. Parliament, Page 8

## EEC Budget action intensified

By DAVID MARSH

THE GOVERNMENT yesterday vigorously stepped up its campaign to lower Britain's EEC budget contribution by implying that the Common Market had broken undertakings about UK contributions made 10 years ago.

The leading article in the Treasury's monthly Economic Progress report takes an aggressive line on the contributions wrangle. It says that Britain, with the third lowest Gross National Product per head in the Community, will make about 60 per cent of the total net budget contributions this year unless policies are changed.

The Treasury article has been published at a time when Ministers are becoming more pessimistic about the chances of lowering significantly Britain's

prospective £1.2bn net contribution this year.

It says Britain voiced concern during the EEC entry negotiations in 1970 that its net budget contributions would become very large towards the end of the decade because of the predominance of agriculture in Community spending.

The Community then forecast, however, that the UK's prospective contributions would be cut by a reduction in the proportion of the EEC budget taken by agriculture to 60 or even 40 per cent. In fact the article says the Common Agri-

cultural Policy now absorbs more than 70 per cent of the total budget.

The UK's small farming sector can never attract more than a small share of such expenditure. In 1980 its share of community spending on price support is forecast to be no more than 5.5 per cent.

The article says that, largely because of its heavy dependence on imported food and worldwide trading connections, Britain contributes almost a quarter of the Community's total revenue from tariffs and agricultural levies.

It also rejects the argument that Britain's benefits from higher oil prices allow it to sustain the present level of contributions without difficulty. CAP will "cost UK consumer £2.2bn," Page 6

## Weather

UK TODAY  
CLOUDY WITH showers, bright intervals. Temperatures near normal.

London, S.E., E., N.E., Cent. N. England, East Anglia, E. Midlands

Mainly dry, sunny intervals. Max 6C (43F).

Cent. S., S.W. England, W. Midlands, Wales, Channel Is.

Bright intervals, some heavy rain. Max 10C (50F).

Lake District, N. W. England, I. of Man, N. Ireland

Cloudy, some rain or snow. Max 6C (43F).

Borders, Highlands, N.E. Scotland, Orkney and Shetland

Cloudy, wintry showers. Max 3C (37F).

S.W., W. Cent. Scotland

Dry with sunny intervals.

Outlook: Unsettled; showers or heavy rain. Snow in North.

WORLDWIDE

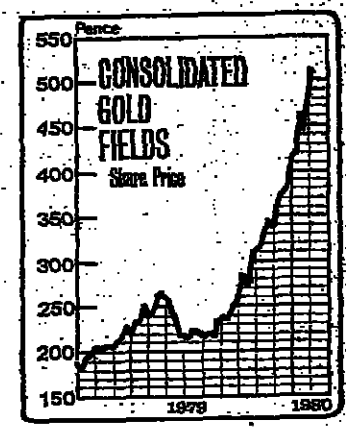
Y'day			Y'day		
°C °F			°C °F		
Alacio	15	61	London	8	50
Algiers	16	61	Los Angeles	8	48
Amsterdam	15	59	Lyons	15	59
Athens	17	63	Luxor	22	72
Bahia	22	72	Madrid	12	54
Bangkok	15	59	Manila	11	52
Bombay	17	63	Medan	17	63
Buenos Aires	13	55	Mexico	18	64
Calcutta	17	63	Montevideo	8	46
Cairo	15	59	Moscow	16	61
Cardiff	15	59	Nairobi	12	54
Cebu	17	63	Paris	15	59
Colon	17	63	Rangoon	15	59
Copenhagen	15	59	Reykjavik	10	50
Dublin	15	59	Rio de Janeiro	15	59
Edinburgh	15	59	Rome	17	63
Hankow	15	59	Salt Lake City	9	48
Hong Kong	15	59	Singapore	28	82
Imbabura	15	59	Stockholm	8	46
Jakarta	17	63	Sydney	25	77
Johannesburg	17	63	Taipei	15	59
Kuala Lumpur	17	63	Tokyo	15	59
London	8	46	Toronto	15	59
Lyons	15	59	Winnipeg	15	59
Manila	17	63	Zurich	15	59
Medan	17	63			
Mexico	18	64			
Montevideo	8	46			
Moscow	16	61			
Nairobi	12	54			
Paris	15	59			
Rangoon	15	59			
Reykjavik	10	50			
Rio de Janeiro	15	59			
Rome	17	63			
Salt Lake City	9	48			
Singapore	28	82			
Stockholm	8	46			
Sydney	25	77			
Taipei	15	59			
Tokyo	15	59			
Toronto	15	59			
Winnipeg	15	59			
Zurich	15	59			

C-Cloudy, F-Fair, FG-Fog, R-Rain, S-Sunny, SI-Sleet, SN-Snow.

## THE LEX COLUMN

# Creeping up on Gold Fields

Index rose 8.1 to 455.9



Consolidated Gold Fields is in a fix, and its plight raises questions of general importance about the Government's attitude towards the ownership of UK quoted companies. The removal of UK exchange controls has made it much easier for overseas investors to build large secret shareholdings in UK companies, and to bid for them. Something like this now seems to be happening to Gold Fields — a business of no small substance. In 10 to 15 years' time, its South African interests will be the world's biggest producer of gold.

Large numbers of its shares are now being accumulated by unknown parties who are not registering their ownership. The only indication of the scale of this operation comes from the number of outstanding "certificates" — partial disposals — by continuing shareholders who apply to the company for new certificates. Whereas this figure is usually just a few hundred thousand, it could now be 13m or more — far and away ahead of the level of registrations. If these partial disposals have anything like the usual relationship with outright sales (which cannot be tracked if not registered) then a fifth or more of Gold Fields' shares could now be in unknown hands.

If the buyers want to collect the forthcoming interim dividend, they will have to break cover next month. Meanwhile, Gold Fields is rightly drawing its shareholders' attention to these unusual share movements — and reacting with startled leaps to unexpected phone calls. The worry is that the shares could be going to form an oppressive minority — controlling the Board without making an outright bid. Even if a bid is contemplated, the mystery buyer would obviously have a head start on any potential white knight.

Ideally Gold Fields would like the Stock Exchange to make those of its members involved in the buying reveal the name of their principals. The vast bulk of trading is done in London — and at least until recently — most of the shares have been held in the UK. But there is not much the Stock Exchange can do unless it feels its rules have been broken. Gold Fields has not made any approach to the Takeover Panel, so it cannot yet fear that the buyer has picked up more than 30 per cent and thus triggered a mandatory bid under the takeover rules.

But Gold Fields has major concerns about the takeover rules. Its underlying growth is largely on the aerospace side, where its contracts for the

UK assets, so any buyer must be taking if it broke either the code or UK company law which requires disclosure of holdings that pass 5 per cent.

Dowry

Forecasting the results of engineering companies has become a peculiarly dismal pastime: take last year's figure, subtract a few million for the engineering strike, and then knock off a bit more for good luck. In Dowry's case, some positive allowance had to be made for the company's growth record. But all the same, expectations were clustered just below last year's interim pre-tax profit figure of £14.1m, and there was astonishment when the group came up with £17.4m.

This figure contains a certain exceptional element, as Dowry's mining equipment contracts in China have largely fallen in the six-month period. These alone have been enough to offset the damage done to profits by the engineering strike. The second half will see an additional, slightly smaller, benefit from China, but by June the last conveyors should have been delivered.

These contracts have not been replaced, and their absence will be felt next year. Although Dowry is holding its own in the important North American mining market, the strength of sterling is forcing it to accept substantially lower margins in order to hold on to its market share against the German competition. At home, Coal Board orders have picked up after a dull period, but there is little excitement.

Dowry's underlying growth is largely on the aerospace side, where its contracts for the

Tornado aircraft are no more than push the into modest net borrowings. Having risen 17p to 18 shares stand on 15 times positive earnings and a yield in the region of 5 per cent. The glamour rating, deserved, and the fashion defence stocks must be shares. But there is a over-estimate the last long-term growth trend.

UDT

The rise in interest rates in United Kingdom has been hard. With about three-quarters of lending activity at fixed profit from instalment £1.5m at the half-way stage could be in actual loss second half. Against this ground, first half profit £7.5m against £5.5m in are rather creditable. It is the compensatory aid derived from the Internal Commodities Clearing and the industrial and sectors.

Nevertheless, full year profits are unlikely to be much higher than £2 against £20.1m last year though in a year in which interest rates showed a sub-10 per cent UDT could make the £25m range. The share 2p to 42p yesterday, where prospective fully-taxed 1 above 11. At £25m pre-tax multiple would reduce to a realistic seven times. Any demand looks like being at 18 months away.

The length of time the remains in the lifeboat depends to a great extent whether the Bank of England designates it a bank or a deposit-taking institution. It is borderline between the through-on to the side through onto the side of angels in terms of the ratios the Bank is taking account.

The group would like transfer some loans out of lifeboat, but as long as the is in place the cleaners could countenance such a step if were classed as a deposit Loans to non-banks outside lifeboat could not be against eligible liabilities.

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Registered at the Post Office. Printed by St. Clement's Press and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4A 3DF.

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